



AGENDA MEMORANDUM

Action Item for the City Council Meeting September 8, 2020

DATE: September 8, 2020

TO: Peter Zaroni, City Manager

FROM: Peter Collins, Chief Officer of Information Technology
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Enterprise Agreement – Microsoft Volume Licensing

CAPTION:

Motion authorizing a three-year service agreement with SoftwareONE, Inc., in an amount not to exceed \$2,729,477.37 for a Microsoft Enterprise Volume License for the Information Technology Department, with FY 2020 funding in the amount of \$909,825.79 funded through the Information Technology Fund.

SUMMARY:

This Microsoft licensing agreement is for three years in an amount not to exceed \$2,729,475.00, which is an increase of approximately \$213,000.00 annually. The increase to this agreement is driven by an increase in demand for security, disaster recovery, business continuity, and virtualization of systems and applications with the market. This agreement is through the Department of Information Resources (DIR) Cooperative. Contracts awarded through the DIR Cooperative ensure discounted pricing for local municipalities, and state and government procurement requirements.

The City has added critical security software features to protect City staff and data from cyber-attacks, ransomware, foreign logins, impersonations, phishing, and infected file attachments. Additional database and network server licenses have been added for the new virtualized data center and backup location systems for disaster recovery and business continuity. Approval of this new contract provides essential Microsoft Office 365 Suite of applications which includes hosted e-mail and hosted integrated software applications such as Microsoft Outlook, Microsoft Word, and infrastructure licensing which includes Microsoft Database Server, Windows Network Server, and user login

licenses. This agreement also includes critical security volume license features to protect city E-Mail accounts and data, in addition to governmental products critical to the day to day operations for the City staff /employees

BACKGROUND AND FINDINGS:

The Microsoft Enterprise License agreement is part of the Information Technology (IT) ongoing goal of providing City staff essential tools needed for efficient and effective productivity. Microsoft Enterprise Agreement will position the City to utilize the most current and latest technology. The latest three-year agreement with Software House International has expired. Negotiations were completed with a non-incumbent Contractor to ensure that our existing Microsoft Agreement does not get interrupted during the transition to a new DIR cooperative Contractor, SoftwareONE, Inc.

The new Enterprise Agreement will cover the following software licenses (volume subscriptions) for:

1. Office 365 (Government)
2. PowerBI Pro
3. SQL
4. SQL Server Enterprises Core (Government)
5. SQL Server Standard Core
6. Windows Remote Desktop Services
7. Windows Server Data Center Services Core (Government)
8. Windows Server Standard Core (Government)

ALTERNATIVES:

The City could search for alternative vendors for desired Microsoft Products, but at this time, there are no alternatives. The City continues to rely on the quality and reliability of Microsoft product(s) which makes it difficult to change to similar product(s) / service(s). Without this Enterprise Volume License Agreement would impose real-time temporary limitations to the City employee productivity, due potential service interruption that could temporarily halt or limit existing City employee's need to immediate access an established Microsoft platform services, such as e-mail or word processing, etc.

Participating vendors participate with Microsoft, but a different procurement method would be needed instead of procuring with a CO-OP method that would cause unwarranted time restraints.

FISCAL IMPACT:

The fiscal impact for the IT Department in FY2020 is \$909,825.79. The remaining cost of \$1,819,651.58 will be allocated in future years: \$909,825.79 in FY 2021 and \$909,825.79 in FY 2022.

FUNDING DETAIL: FY 2020

Fund:	5210	Information Technology Fund
Organization/Activity:	40420	IT Tech Infrastructure Service
Mission Element:	241	
Project # (CIP Only) :		
Account:	520105	Computer Software
Cost		\$909,825.79

RECOMMENDATION:

Staff recommends approval of this motion authorizing this license agreement for Microsoft products with SoftwareONE, Inc., Inc. as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet
Service Agreement