

Meeting Date (?) 05/24/2016

Subject Matter* (?) Microsoft Enterprise Agreement Renewal
This must match rolling agenda entry

Department of Origin* INFORMATION TECHNOLOGY

Submitted By* Bernie Acre

Type of Meeting* BCD Special Regular

Classification* Public Hearing Consent Statutory Regular

Ordinance* None First Read Second Read First & Only Read

Strategic Initiative* Public Safety Service
 Economic Development Infrastructure
 Quality of Life

Agenda Item Description* Information Technology (IT) respectfully requests City Council authorization for a 3-year Microsoft Enterprise Agreement (EA) for a 3-year cost not to exceed \$255,316, along with a one-time true-up to the existing EA in the amount of \$58,461 through SHI Government Solutions using Department of Information Resources (DIR) contract number DIR-SDD-2503.

Summary Statement *

The Enterprise Agreement (EA) provides the City with licensing rights to install Microsoft products on City equipment and enables the IT Department to proactively plan for upgrades at the enterprise level. The one-time true-up brings the City's Microsoft licensing count current with the existing number of platforms used at the City; that is, the City needs to account for the current number of licenses instead of a figure used three (3) years ago. The total amount requested for FY16 is \$143,567. This amount was planned and budgeted for within the existing IT FY16 accounts.

In 2004, the City entered into the first EA 3-year agreement with Microsoft to provide software upgrades and support enterprise-wide instead of managing individual software licenses for a total cost, and the City Council has approved subsequent renewals. This current proposed agreement of \$255,316 is split into three (3) annual payments of approximately \$85,106 plus an additional one-time \$58,461 true-up license counts in FY16. The increased cost is due to the addition of new computer assets since the last renewal three (3) years ago. Microsoft software is critical to the City staff as it powers the vast majority of computers and servers used to perform daily duties.

Previous years expenditures are as follows:

2013 – 2016 - \$398,736

2010 – 2013 - \$299,269

2007 – 2010 - \$230,781

2004 – 2007 - \$235,014

This proposed EA covers the following items; Office Product Licenses, DataCenter Server Licenses, Exchange (Email) Server, Sharepoint Server, SQL Server, Training Credits for MS technical training, Phone and web support from Microsoft, along with other cost saving added benefits to the City.

The EA provides the following benefits to the City of Bryan: software assurance, Microsoft training for City staff, support for servers and desktops, Employee Purchase Program, and onsite consulting services. If another true-up is required and the amount exceeds \$49,999, a City Council request will be presented at the appropriate time.

The contract used for this agreement originally is from the Department of Information Resources (DIR). DIR was created by the State of Texas to ensure the effective and efficient use of public funds for information technology services and equipment through the application of statewide services and technologies with emphasis on cooperative purchasing projects. The Interlocal Cooperation Act, Texas Government Code, Chapter 791, authorizes local governments to directly contract with DIR enabling participating entities to take advantage of the purchasing power of the State of Texas. Procuring information technology products and services through DIR contracts saves the City time and money as all products offered have been subjected to a competitive bid process with vendors offering substantial discounts to all participating entities based on the State's anticipated volume of purchases.

Staff Analysis & Recommendation *

Software is traditionally licensed per computing device and is not upgradable or transferable. The EA allows IT the flexibility to upgrade to the latest version of Microsoft software without having to purchase new and individual licenses per seat. It also allows the transfer of a license to a new computer if replaced or upgraded, which alleviates the need to laboriously track individual licensing for each PC. The EA provides a simple, cost-effective mechanism for IT staff to strategically focus on maintaining and applying version upgrades on valuable City resources, while managing migration, conflicts, and training.

Leveraging the EA will save the City a significant amount over individual purchase. The cost of upgrading Office and Windows for 750 computers is approximately \$680 per computer for an estimated one-time cost of \$510,000.

Staff respectfully recommends that City Council approve the 3-year Microsoft EA.

Options *

(In Suggested Order of Staff Preference)

1. Approve the agreement as recommended.
2. Do not approve the agreement and provide staff direction.

Funding Source *

FY16 General Fund, IT Departmental Budget (as budgeted)

Attachments

MSEA CAF Attachment.pdf

109.85KB

Please detail attachments and note attachments available for viewing in City Secretary's Office:

1. The CAF attachment (pdf file) includes a single invoice, which includes the renewal quote, true-up quote, enrollment agreement, and DIR contract DIR-SDD-2503. Note: The agreement requires approval before details can be included.

Dept. Head Signature



Bernie Acre

Deputy City Manager
Signature



Hugh R. Walker

City Manager Signature



City Attorney Signature



Janis K. Hampton