



Legislation Text

File #: 17-236, **Version:** 1

AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH MICROSOFT FOR THE CITY'S OFFICE 365 AND ENTERPRISE LICENSING

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Purpose and Recommended Action

This is a request for City Council to enter into an agreement with Microsoft for the City's Microsoft Enterprise Agreement (EA) from August 1, 2017 through September 30, 2020, utilizing a Linking Agreement with CDW-G (C-11437). This request also includes approval of expenditure authority in an amount not to exceed \$1,856,621 over the life of the agreement.

Background

This contract renews the Enterprise Agreement (EA) with Microsoft Corporation for enterprise software and hosted services. The EA allows the City to acquire and utilize software licenses and hosted services at significantly reduced costs. Software covered under this contract includes database, hosted services such as email and SharePoint, and other required Microsoft product licenses. Licensing agreement costs will be recalculated annually to account for additional licenses or software that were added during the year.

CDW-G, an approved Microsoft reseller, was awarded their contract by the State of Arizona through a competitive bid process. The contract provides the best pricing available for purchase of software products and services.

Cooperative purchasing allows counties, municipalities, schools, colleges and universities in Arizona to use a contract that was competitively procured by another governmental entity or purchasing cooperative. Such purchasing helps reduce the cost of procurement, allows access to a multitude of competitively bid contracts, and provides the opportunity to take advantage of volume pricing. The Glendale City Code authorizes cooperative purchases when the solicitation process utilized complies with the intent of Glendale's procurement processes. This cooperative purchase is compliant with Chapter 2, Article V, Division 2, Section 2-149 of the Glendale City Code, per review by Purchasing.

Analysis

The City utilizes Microsoft products in support of city operations. Specifically, Microsoft products are used for desktop and database applications, email, and the SharePoint collaboration product. Microsoft products are foundational for several City software applications to include the police CAD/RMS system, sales tax, utility billing and several other support applications. Additionally, the City's email system is cloud based and hosted by Microsoft. This agreement is necessary to ensure continued operation of these critical business systems and is only available from Microsoft Corporation through their authorized resellers.

Community Benefit/Public Involvement

Microsoft products and services assists staff in the goal of timely communication with our citizens, and allows for more seamless cross-departmental collaboration. Integrated Microsoft solutions allows city staff to achieve the Council value of excellence by supporting the delivery of high quality services, and remain innovative through the flexibility to grow and change with our organization.

Budget and Financial Impacts

The City has requested a 38-month agreement with Microsoft instead of the standard 36 month. This 14-12-12 term will allow the City to move its anniversary from July 1st to September 30th. This better aligns with fiscal year processes, and allows staff the time needed to take future renewals to Council. The amount budgeted in the Information Technology Fund for Microsoft is \$542,207 per year. IT will utilize these funds to pay for annual licensing, as well as supplement costs utilizing a Windows Licensing project identified in the Technology Projects fund. The total project amount of \$230,000 will be utilized over the 38-months of the EA contract to supplement costs as needed.

Cost	Fund-Department-Account
\$542,207	2591-18402-522700, Information Technology (budgeted annually)
\$230,000	2592-18500-522700, Program # 83143 - Technology Projects (to be used over the 38-month agreement as needed)

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?