



# City of Denton

City Hall  
215 E. McKinney Street  
Denton, Texas  
www.cityofdenton.com

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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Procurement  
**ACM:** Christine Taylor  
**DATE:** July 14, 2026

### **SUBJECT**

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with SHI Government Solutions, Inc., through the Texas Department of Information Resources (DIR) Cooperative Contract No. DIR-CPO-5237, for the purchase of Microsoft Licensing, Products & Related Services for the Technology Services Department; providing for the expenditure of funds therefor; and providing an effective date (File 9068 – awarded to SHI Government Solutions, Inc., with a term ending September 30, 2031, in the not-to-exceed amount of \$7,001,117.00).

### **STRATEGIC ALIGNMENT**

This action supports Key Focus Area: Pursue Organizational Excellence and Collaborative and Respectful Leadership.

### **INFORMATION/BACKGROUND**

Microsoft Corporation requires that organizations that use their software maintain legal, paid licensing for computer and server operating systems, applications, and desktop software. Microsoft offers an Enterprise Agreement (EA) that is used by large organizations to bundle select products and services into a single program that gives flexibility and control to optimize software licensing needs in support of Information Technology (IT) services throughout the organization.

The City's EA grants the ability to remain current on software products across departments and maintain industry standards for Microsoft computing, which the City standardized on in 2013.

The City's Enterprise Agreement is a comprehensive licensing and technical support model that provides a variety of benefits, including:

- Regular software upgrades for all new releases of Office 365 software, Windows desktop operating systems, server operating systems, SharePoint, and other specialized software at no additional cost during the term of the agreement;
- Fixed pricing provides the ability to predict annual budgetary impacts over multiple years.
- Ability to globally manage products, licensing entitlements and services in the City's environment using system management and deployment tools;
- Streamlined license purchasing process to ensure timely delivery of IT projects; and

- Allowing the City to add or remove various products at any time as technology needs evolve through an annual "true-up" process using discounted pricing established at the start of the agreement.

Examples of licenses:

- Windows Server Operating Systems
- SQL Server Database Systems
- Microsoft Teams and other Collaboration Tools
- SharePoint and Power BI for Analytical Presentations
- Desktop Operating Systems, i.e., Windows 11
- Microsoft Office Suite
- User Security
- Secure Data Storage and Retention

<b>Microsoft Contract Term</b>	<b>Estimated Annual Spend</b>
Year 1	\$1,187,408.28
Year 2	1,211,156.44
Year 3	1,295,937.39
Year 4	1,321,856.14
Year 5	1,348,293.26
Contingency	636,465.49
<b>Total</b>	<b>\$7,001,117.00</b>

Since 2022, the City’s growing workforce has increased the demand for Microsoft O365 and other related Microsoft licenses. The cost of licensing has also increased since 2022. As a result, additional spending authority is required earlier than initially anticipated to ensure uninterrupted service before the contract’s expiration.

Pricing obtained through the Department of Information Resources (DIR) Cooperative Purchasing Network has been competitively bid and meets the statutory requirements of Texas Local Government Code 271.102.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On January 28, 2020, City Council approved the interlocal agreement with the Texas Department of Information Resources Purchasing Network (Ordinance 20-196).

**RECOMMENDATION**

Award a contract with SHI Government Solutions, Inc., for the purchase of Microsoft Licensing, Products & Related Services for the Technology Services Department, in a not-to-exceed amount of \$7,001,117.

**ESTIMATED SCHEDULE OF PROJECT**

This contract expires on September 30, 2031. This DIR contract expires on September 22, 2029.

**FISCAL INFORMATION**

These items and services will be funded through Technology Services’ Infrastructure operating budget 830200.7803. Funding is budgeted annually to align with the contract terms and expenditures. These products and services will be utilized on an as-needed basis. The City will only pay for items purchased and is not obligated to pay the full contract amount unless needed.

## **EXHIBITS**

Exhibit 1: Agenda Information Sheet  
Exhibit 2: Cooperative Pricing  
Exhibit 3: Presentation  
Exhibit 4: Ordinance

Respectfully submitted:  
Lori Hewell, 940-349-7100  
Purchasing Manager

For information concerning this acquisition, contact: Michael Deegan, 940-349-7823.

Legal point of contact: Leah Bush at 940-349-8333.