



Legislation Text

File #: ID 16-1073, **Version:** 1

AGENDA INFORMATION SHEET

DEPARTMENT: Materials Management

ACM: Bryan Langley

AGENDA DATE: August 16, 2016

SUBJECT

Consider adoption of an ordinance of the City of Denton, Texas providing for, authorizing, and approving the purchase of Microsoft Enterprise Licensing Renewal agreement to renew licensing for the: Desktop Optimization Package, Remote Desktop Services, Office 365, and Client/Server software licensing as approved by the State of Texas Department of Information Resources (DIR) Contract Number DIR-SDD-2503; providing for the expenditure of funds therefor; and providing an effective date (File 6207-awarded to SHI Government Solutions in the three (3) year not-to-exceed amount of \$1,890,003).

FILE INFORMATION

The City of Denton utilizes Microsoft Corporation software to support daily operations, communication, and services to the community. The City leverages a number of different Microsoft software products including Windows server and desktop operating systems, Microsoft Office, Exchange, Lync, SQL server, SharePoint, Visio, and Project. The City of Denton (City) currently has an established Enterprise Agreement ("EA") with Microsoft which allows the City to purchase and utilize Microsoft software products.

A Microsoft Enterprise Agreement is a volume licensing package offered by Microsoft. It primarily targets large organizations that have 500 or more personal computers. The Microsoft Enterprise Agreement assists us in getting the best pricing, discounts, and added benefits designed to support server and cloud technologies. The City realizes the best savings by deploying a common IT platform across the organization. The City also receives 24/7 technical support, planning services, end-user and technical training, as well as unique technologies with Software Assurance. Upfront costs are minimized and staff can budget more effectively by locking in pricing and spreading payments over three (3) years.

Microsoft has executed an Enterprise Agreement ("EA") with the State of Texas Department of Information Resources (DIR) whereby cities and other governmental entities are able to obtain needed Microsoft software at reduced rates. The attached Microsoft EA enrollment form (Exhibit 1) will allow the City of Denton to continue its licensing. Exhibit 2 shows the DIR Customer Discount that the City receives by purchasing the licenses through the DIR contract. The DIR has awarded the contract to administer this software licensing agreement to SHI Government Solutions (Exhibit 3-Quote).

RECOMMENDATION

Approve the purchase of Microsoft Renewal Licenses from SHI Government Solutions in the not-to-exceed amount of \$1,890,003. This amount includes a contingency for additional subscription licenses and server costs that may be required through September 30, 2019. The table below shows a breakdown of the estimated costs for the three (3) year period.

| Project Description | Estimated 3 Year Expenditure (Annual Estimate) | |
|---|---|-------------|
| Office 365 | \$1,174,902 | (\$391,634) |
| Enterprise and Desktop Software and Services | \$ 364,002 | (\$121,334) |
| DME Specific Software and Services | \$ 131,580 | (\$43,860) |
| Projected Contingency for True Up and Additional Licenses | \$ 219,519 | (\$73,173) |
| Total | \$1,890,003 | (\$630,001) |

PRINCIPAL PLACE OF BUSINESS

SHI Government Solutions
Austin, TX

FISCAL INFORMATION

Funding is budgeted annually in the Technology Services Fund account 830400.6504. The cost for the licenses will be charged back to the using departments as they are purchased and installed.

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: **Organizational Excellence**
Related Goal: **1.3 Promote effective internal and external communication**

EXHIBITS

Exhibit 1: Microsoft Enterprise Agreement
Exhibit 2: DIR Pricing Index
Exhibit 3: SHI Quote
Exhibit 4: Ordinance

Respectfully submitted:
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Director of Finance

For information concerning this acquisition, contact: Melissa Kraft at 349-7823.