



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		2/22/2016		
Department:		Technology Services		
Department Head		Carlos Oregon		
Agenda Coordinator (include phone #): Dianna Wike x7549				
CAPTION				
To approve the purchase of Microsoft software licenses for one year with two City optional one year renewals, through a Microsoft Enterprise Agreement in the estimated first year amount of \$1,022,974, and estimated amount for each of years two and three of \$1,096,966 for a total estimated three year amount of \$3,216,905 from SHI Government Solutions, Inc. through an existing DIR (Department of Information Resources) contract and authorizing the City Manager to execute all necessary documents. (DIR-SDD-2503)				
FINANCIAL SUMMARY				
<input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR:	2015-16	Prior Year (CIP Only)	Current Year	Future Years
		TOTALS		
Budget		0	3,481,583	2,193,931
Encumbered/Expended Amount		0	-1,773,584	0
This Item		0	-1,022,974	-2,193,931
BALANCE		0	685,025	0
FUND(S): TECHNOLOGY SERVICES FUND				
<p>COMMENTS: Funding is available in the 2015-16 Technology Services Fund budget and anticipated in future years. Purchasing annual Microsoft software licenses, in the amount of \$1,022,974 for the first year and an estimated amount of \$1,096,966 for the second and third optional renewals, will leave a current year balance of \$685,025 available for future expenditures related to software licensing, maintenance and support.</p> <p>STRATEGIC PLAN GOAL: Obtaining software licenses required by all city departments for standard business relates to the City's goal of a Financially Strong City with Service Excellence.</p>				
SUMMARY OF ITEM				
<p>The City is authorized to purchase from the State Contract list pursuant to Chapter 271 Subchapter D of the Local Government Code and by doing so satisfies any State Law requiring local governments to seek competitive bids for items. (DIR-SDD-2503)</p> <p>Per memorandum.</p>				
List of Supporting Documents:			Other Departments, Boards, Commissions or Agencies	
Memorandum				



Memorandum

Date: February 11, 2016
To: Diane Palmer-Boeck, Director of Procurement and Project Management
From: Carlos Oregon, Interim Technology Services Director
Subject: Microsoft Enterprise Agreement and True-up

Technology Services proposes renewing the Microsoft Enterprise Agreement (EA) with SHI Government Solutions, Inc. (SHI). SHI currently holds the master contract with the State of Texas Department of Information Resources for all Microsoft Enterprise Agreement contracts issued to any governmental agency in Texas. The contract number is DIR-SDD-2503.

The Microsoft Enterprise Agreement allows the City of Plano to use a defined number of licenses for all Microsoft products and perform a true-up at the end of the year. This alleviates the burden of ordering software licenses for each new installation by allowing for a mass update at the end of the year. This facilitates the deployment process and reduces the amount of paperwork required to keep track of licenses for compliance purposes.

Through the Microsoft EA, and the associated Subscription Assurance (SA), there are other benefits provided to the City including training vouchers for technical training, reduced pricing for home use of selected Microsoft software, the ability to upgrade or downgrade licenses based on specific needs, and access to Microsoft's TechNet portal for early access to software and problem resolution. If these features were purchased individually they would cost substantially more than as part of the SA bundle.

If we do not extend our Microsoft EA, the City of Plano will have to purchase licenses for all the Microsoft products that are currently being used at retail prices. This cost for procuring all these licenses would be substantially more than the renewal cost of the EA.

This will be a three year agreement with an estimated total cost of \$3,216,905. Year one includes the Subscription Assurance fee of \$939,966 plus a true-up cost of \$83,008 for a total of \$1,022,974. The second and third year each include the Subscription Assurance fee of \$939,966 with optional items of \$57,000 and true-up fees being estimated at \$100,000 for each year for a total of \$1,096,966 annually.