



Council Communication

Office of the City Manager

Date April 23, 2007

Agenda Item No. 45
Roll Call No. 07-
Communication No. 07-240
Submitted by: Debra E. Christopher, CIO

AGENDA HEADING:

Approval of renewal of Microsoft Enterprise Agreements pursuant to State of Iowa Master Contract # CT2979 covering both the Microsoft Select Agreement CT2792 and Microsoft Enterprise Agreement CT 2795.

SYNOPSIS:

Approval to renew Microsoft Enterprise Agreements pursuant to State of Iowa Master Contract # CT2979 covering both the Microsoft Select Agreement CT2792 and Microsoft Enterprise Agreement CT 2795 (<http://das.gse.iowa.gov/contracts/CT2979.pdf>) three year agreement with Software Spectrum, Inc. a division of Insight, Inc., 3480 Lotus Dr, Plano, TX 75075.

FISCAL IMPACT:

This is a three year agreement effective May 1, 2007, through April 30, 2010.

Amount: Year 1 (May 1, 2007 – April 30, 2008) - \$ 269,071.
Year 2 (May 1, 2008 – April 30, 2009) - \$ 394,831.
Year 3 (May 1, 2009 – April 30, 2010) - \$ 372,374.

Funding Source: 2007-2008 Operating Budget, Information Technology, Contractual Services, GE001, IFT010100, 526120, page 118.

ADDITIONAL INFORMATION:

In July 2002, the City entered into a seat management agreement with Public Technology, Inc., Contractor and EER Systems, Inc., provider. The agreement covered the leasing of computer hardware, operating system upgrades, Microsoft Office Suite, and anti-virus software. On November 21, 2005, an amendment to and renewal of the seat management contract between the City of Des Moines, Public Technology Inc., and L-3 Government Services eliminated the acquisition of software as part of the lease agreement. As part of the new seat management program, as the personal computer equipment is replaced, the City will be responsible for purchasing the license and software assurance for the operating system, client access licenses, and MS Office Suite of products.

In May 2004, the City entered into a subscription based Enterprise Agreement for the acquisition of Microsoft products. This agreement allowed the City to purchase the license and software subscription to future releases of the product as they became available. This contract allows the City to leverage its initial investment without repurchasing the software each time that hardware is replaced.

In addition, the contract provides the following value:

1. Provides 100% license coverage and licensing compliance.
2. Simplifies the procurement process, allowing us to pay for additional licensing on an annual basis, rather than each time that personal computer hardware is replaced.
3. Provides us with the flexibility to deploy the latest version of the software when it becomes available and add operational efficiencies in terms of support.
4. Locks in software license pricing for the term of the contract.
5. Provides subscription to TechNet Plus, a knowledge database resource for IT.
6. Provides E-Learning training courses for end users or IT staff as new products become available reducing outside training costs.
7. Provides for employee purchase rights, which allows employees to purchase Microsoft products at discounted prices.
8. Includes upgrade rights so that once a product is licensed, we are only required to pay for upgrade rights in subsequent agreements

At sign-on of new contract license and/or subscription, costs are divided over a three year period for all product totals currently enrolled. Annually, we have an opportunity to add new product licenses and product subscriptions to meet licensing compliance requirements. Annual license and software subscription true-ups must be paid in full for the balance of the contract in the year that they were installed. The second and third years of the contract will take into consideration additional license and software subscriptions projections for seat management equipment to be replaced from the contract in place from 2002 to 2005, when software was part of the lease program.

PREVIOUS COUNCIL ACTION(S):

Date: May 17, 2004

Roll Call Number: 04-1041

Action: ASAP Software Express per State of Iowa Contract CT2545 for Microsoft software products to be used by the Information Technology Department, \$269,126. ([Council Communication No. 04-245](#)) Moved by Brooks to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Renewal of contract in May 2010.