



Council Communication

Office of the City Manager

Date

May 4, 2009

Agenda Item No. 44
Roll Call No. 09-
Communication No. 09-296
Submitted by: Michael Matthes
Assistant City Manager and CIO

AGENDA HEADING:

Approval of purchase of annual true-up licenses in the amount of \$198,954.24, installed during the second year of the Microsoft Enterprise Agreement in accordance with terms outlined in the three year contract entered into on May 1, 2007, to Insight Public Sector, 3480 Lotus Dr., Plano, TX 75075.

SYNOPSIS:

Request approval of purchase of licenses in the amount of \$198,954.24 installed during year two of the Microsoft Enterprise Agreement which runs from May 1, 2007 to April 30, 2009. The current contract allows for the installation of licenses on a per need basis with annual true-up of license counts annually. Annual true-up of licensing simplifies the procurement process.

The Microsoft Enterprise Agreement was entered into on May 1, 2007, pursuant to State of Iowa Master Contract # CT2792 covering both the Microsoft Select Agreement CT2792 and Microsoft Enterprise Agreement CT2795 (<http://das.gse.iow.gov/contracts/CT2979.pdf>) with Insight Public Sector, Inc., previously known as Software Spectrum, Inc.

FISCAL IMPACT:

Amount: \$198,954.24

Funding Source: \$133,372.95 - Capital Improvements Budget FY09 – FY10/2014-15, Enhanced City-wide Information and Communications Systems, BLD060, CP034, IFT990000, Page Municipal Improvements – 11. \$32,821.74 - Operating Budget FY09, Aviation Department, Airport Operations Fund EN002, Airport Administration, AIR010100, Page – 24. \$22,492.49 - Operating Budget FY09, WRF Operations & Maintenance, WRF IT Support, AG251, WRA770111. \$10,267.06 - Capital Improvements Budget FY09 – FY10/2014-15, Municipal Improvements, Regional GIS Plan, BLD114, CP034, IFT990000, Page Municipal Improvements – 21.

ADDITIONAL INFORMATION:

The Microsoft Enterprise Agreement allows us to add additional licensing and Software Assurance as the need arises at a reduced price pursuant to the State of Iowa Master Contract.

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 they were installed.

To meet operational needs the Airport, Wastewater Reclamation Authority and other departments have installed new products or upgraded existing products where the software subscription (SA) option was not in effect. Funding from enterprise operations have been transferred to cover licenses installed.

The contract that allows for annual true-up of licenses provides the following value:

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

PREVIOUS COUNCIL ACTION(S):

Date: April 23, 2007

Roll Call Number: 07-770

Action: Exception to procurement ordinance competitive bidding requirements for State of Iowa contract purchase of Microsoft Software Products and Services from Software Spectrum, \$1,036,276. (Council Communication No. 07-240) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Additional license true-up in April of 2010, based on new licenses installed from May 1, 2009 through April 30, 2010. Upon renewal of Microsoft Enterprise Agreement in May 2010, enterprise departments and the Information Technology department will be responsible for covering the annual subscription cost for licensed product counts in effect at the end of the contract period (April 30, 2010).

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