

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: April 7, 2014
	Agenda Item No. 31B Roll Call No. <u>14-550</u> Communication No. <u>14-154</u> Submitted by: John Newman, CIO, Information Technology Department

AGENDA HEADING:

Approval of purchase of annual true-up license subscriptions, installed during the first year of the three (3) year Microsoft Enterprise Agreement, from Insight Public Sector, Inc., (Kenneth Lamneck, CEO) 6820 S. Harl Avenue, Tempe, AZ 85283, per State of Iowa Contract CT4276-12.

SYNOPSIS:

Request approval of purchase of licenses in the amount of \$47,916.18 installed during year one (1) of the Microsoft Enterprise Agreement which runs from May 1, 2013 to April 30, 2016. The current contract allows for the installation of licenses on a per-needed basis with annual true-up of license subscription counts annually. Annual true-up of licensing simplifies the procurement process.

The Microsoft Enterprise Agreement was entered into on May 1, 2013, pursuant to State of Iowa Contract Number 4276-12 covering both the Microsoft Select Agreement 4276-12 and Microsoft Enterprise Agreement 4276-12 with Insight Public Sector, Inc.

FISCAL IMPACT:

Amount: \$ 47,916.18

Funding Source: 2013-2014 Operating Budget, Information Technology Department, Enterprise Application, G001, IT152000, 526120, page 135

ADDITIONAL INFORMATION:

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

There is an annual opportunity to add new product license subscriptions to meet licensing compliance requirements. Annual license costs for subscriptions are due prior to the beginning of the next contract year. The license counts are increased on the agreement and costs for remaining years are added to the agreement in force.

The subscription cost of \$47,916.18 is due by April 30, 2014. The license counts and dollar amount of \$4,545.18 for subscription item will be added to the annual Enterprise Agreement for years 2015 and 2016. The \$ 43,371.00 is a one-time license and software assurance cost that covers the balance of the contract period. 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 or subscription is in effect, there is an opportunity to move to the latest version of the product without additional cost.
3. Simplifies the procurement process, allowing the City to pay for additional licensing on an annual basis, rather than each time a new license is required.
4. Provides the City 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 primary work computer on up to four (4) additional devices (smart phones, tablets, laptops, etc.).

PREVIOUS COUNCIL ACTION(S):

Date: April 22, 2013

Roll Call Number: [13-0653](#)

Action: [Exception](#) to procurement ordinance competitive bidding requirements for a three-year agreement with Insight Public Sector (Kenneth Lamneck, President/CEO) for Microsoft Software products and services per State of Iowa contract for use by the Information Technology Department, \$859,753.92 total for 3 years. ([Council Communication No. 13-206](#)) Moved by Hensley to adopt. Motion Carried 7-0.

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 2015 or 2016, based on new licenses installed from May 1, 2014 through April 30, 2016. Annual commitment of \$ 4,545.18 to cover the subscription licenses for years 2015 and 2016 of the contract period. Upon renewal of Microsoft Enterprise Agreement in May 2016, 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, 2016).

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