

City Council – Action Request Form

Date: February 10, 2020

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Ben Rowe, Assistant City Manager; Thomas Kureczka, Chief Information Officer

Council Action Requested:

Resolution Approving New Microsoft Enterprise License Agreement

Strategic Focus Area: Service Excellence

Strategic Objective: Ensure Service Delivery Efficiency and Effectiveness

Strategic Plan Action Item: No

Key Work Item: No



Summary of Information:

A strategic decision was approved by the Mayor and City Council in 2008 to establish an Enterprise Agreement (EA) with Microsoft. The decision was based upon the long-term cost savings that could be achieved by extending the agreement across multiple years and eliminating the need to repurchase software as new versions are released.

The three-year agreement was expanded in 2011 to include Microsoft’s hosted email platform, delivered as a cloud service and user-based subscriptions. Hosting provides 24 X 7 support, redundancy, and access to email from a variety of devices and locations. Online archiving and legal hold functionality allow the City to respond appropriately to North Carolina Public Records Law and similar requests. As the hosting vendor, Microsoft manages the email infrastructure upgrades, which keeps the product set up-to-date and reduces the amount of required City staff support.

Committee Action:

Committee	<u>Finance 2/10/2020</u>	Action	<u>Approval</u>
For	<u>Unanimous</u>	Against	<u></u>

Remarks:

When the City renewed our EA in 2014, we moved the Microsoft Office and desktop and server operating system licenses to subscriptions. Subscription licensing allows the City to leverage our investment and expand the services to support a mobile workforce. The subscription is tied to the employee, not a specific piece of equipment, so as employees continue to move from traditional desktops to mobile devices, the subscription license will move with them.

With the three-year EA renewal in 2017, the City was provided new security protection associated with City email accounts. Email is how many hackers penetrate networks and breach organizations. Emails could pass through the core security perimeter, and employees could unknowingly click on links or attachments that launched malware to infect workstations and the network. The new security protection included an add-on service called Advanced Threat Protection that continuously checks email links and attachments from within the Microsoft cloud and blocks access to malicious links.

The City’s current EA, with an annual cost of \$460,000, will expire on February 29, 2020. The new agreement will include additional licenses to support new clustering and high-availability capabilities for the City’s databases. It will also address existing license needs for Public Safety Center personnel.

The Purchasing Department released a formal Request for Bids, and bids were obtained from six authorized resellers. After evaluating the bids, staff determined that the lowest qualified response was from Insight Public Sector, Inc., a national company headquartered in Tempe, AZ.

Bid Response Summary

Vendor	Year 1 Price	Home Office Location	Local Office	M/WBE
Insight Public Sector Inc.	\$541,707.81	Tempe, AZ	No	No
Dell Marketing	\$550,915.33	Round Rock, TX	No	No
SHI International Corp.	\$557,025.74	Somerset, NJ	Yes / City	Yes
Softchoice Corporation	\$563,683.01	Chicago, IL	No	No
Connection Public Sectors Solutions	\$568,079.38	Merrimack, NH	No	No
Zones, LLC	\$616,791.76	Auburn, WA	No	Yes

The following table shows the total cost of the licenses and subscriptions from Insight Public Sector, Inc. for three years.

Year	Annual Cost
Year 1	\$541,707.81
Year 2	\$541,707.81
Year 3	\$541,707.81
Three-Year Total	\$1,625,123.43

It is recommended that the City enter into a new Enterprise Agreement with Microsoft, Inc. The agreement will be administered through Insight Public Sector, Inc. for three years to include software subscription licenses, network access licenses, and software licenses for specialty applications, databases, and servers. The agreement allows the City to adjust our subscription quantities up or down annually based upon the quantities needed. The proposed three-year contract amount will be \$1,625,123.43, with a first-year payment of \$541,707.81. Second-year and third-year payments may adjust based on changes in the use of the software or number of employees. Funding for the first year of the agreement is allocated in the approved FY 19-20 operating budget.

M/WBE comment: This Bid was posted on the City's and State's purchasing websites, and notifications were sent to all local M/WBE and area HUB businesses on a weekly basis. See Exhibit A for a complete list of businesses notified and for workforce demographics for Insight Public Sector, Inc.