

CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** October 28, 2019

SUBJECT: Authorize the City Manager to execute a 3 year contract with SHI Government Solutions, Inc. for Microsoft enterprise agreement with the first year payment in the amount of \$189,347.72 through a Department of Information Resources cooperative contract.

PRESENTER: Bob Weakley, Interim Director of Information Technology

SUMMARY:

This enterprise agreement is a volume licensing agreement which includes Microsoft licensing and software upgrades for all of the city's desktop computers and servers. The software in the agreement includes operating system software, the Office suite of products, SQL databases, Exchange email, and Network Client Access licenses. Our current Microsoft enterprise agreement was approved by Council on December 12, 2016 and will expire November 30, 2019. This enterprise agreement is being purchased through DIR contract number DIR-TSO-4092.

GENERAL DESCRIPTION:

Information Technology has been working with Microsoft and SHI Government Solutions, Inc. (SHI) for months on the details regarding the Microsoft enterprise agreement. It allows the city to take advantage of both price breaks and services from Microsoft on all desktop and back office systems and applications. The State of Texas Department of Information Resources (DIR), on behalf of the State of Texas, entered into an enterprise agreement with Microsoft Corporation for state and local governments. Additionally, DIR entered into an agreement with SHI to provide this software to local governments. All state competitive bidding requirements for this purchase will be met by participating in the DIR cooperative purchasing program.

The new agreement is for a 3 year term. Payments for utilization of this multi-year contract may be authorized annually during the budget process for the corresponding renewal terms provided that funds have been budgeted for each remaining year of the contract, and the terms and conditions of the agreement have not changed. Those payments will not require additional City Council approval.

The city is licensed for 550 PCs and 26 servers that will utilize this agreement at a cost of \$189,347.72 per year. This expense was included as part of the FY 2019/2020 Adopted Information Technology operating budget. The city will realize a significant annual savings, versus individual purchase of the licensing and software upgrades, thus reducing our total cost of ownership and expense.



The city will also be required to sign a "State and Local Government Enterprise Enrollment" licensing agreement with Microsoft.

RECOMMENDATION:

Authorize the City Manager to execute a 3 year contract with SHI Government Solutions, Inc. for Microsoft enterprise agreement with the first year payment in the amount of \$189,347.72 through a Department of Information Resources cooperative contract.