

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Resolution No. 8732 authorizing the execution of a three-year Microsoft Enterprise Agreement for required Microsoft software licenses, with anticipated annual true-ups, that are necessary for the continued and future utilization of Microsoft software products by the City.

FISCAL IMPACT

The fixed amount of the Microsoft enterprise software license agreement is \$1,175,067 including tax, to be paid in three annual payments of \$391,689 beginning in 2014. The agreement also includes a "true-up" at the end of each year, obligating the City to pay for licenses used above the estimated amount. Based on projected license growth for the term of the agreement, this amount is estimated at \$19,830 including tax.

The total anticipated cost of this three-year contract, including Microsoft-provided technology purchases and 30 days of training and consulting services, is \$1,194,897 including tax, a 1% increase in cost over the prior agreement. The first year's payment was budgeted and is available in the 2013-2014 Information Technology Fund budget. The funding for 2015-2016 will be requested as part of the 2015-2016 biennial budget.

Licenses will be purchased through the State of Washington Department of Information Services master contract with Microsoft, thereby taking advantage of the State's lower negotiated pricing. ITD has evaluated other options for acquiring these licenses, including purchasing them individually, and has determined that the Microsoft Enterprise Agreement is the most cost-effective approach for this kind of purchase. This agreement continues to be the best vehicle to control licensing costs over time.

STAFF CONTACT

Rick Berman, Assistant Director, 452-4890
Dave Kelly, Client Technology Services Manager, 452-7195
Information Technology Department

POLICY CONSIDERATION

City Purchasing Policies:

Bellevue City Code 4.28.030 authorizes the City to join in cooperative purchasing arrangements with other public agencies when the best interests of the city would be served thereby. Execution of this agreement allows the City to take advantage of the lower Enterprise Agreement pricing available through the State of Washington Department of Information Services master contract.

BACKGROUND

The City uses Microsoft software products [e.g.: Windows (operating system), Office (email, word processing, spreadsheets, presentations, etc.), Lync (phone calling and other communication)] on all of its desktop and laptop computers, as well as servers that are essential to the functioning of the organization and the over 1600 employees and volunteers using this equipment. In 2005, the City began to purchase the required software licenses for these

machines through an Enterprise Agreement that provided continued upgrades to the most current versions of the software throughout the three-year term of the Enterprise Agreement.

In addition, as part of the Enterprise Agreement, Microsoft will provide 30 days of free training and consulting services to facilitate the City's deployment and implementation of the Microsoft products.

EFFECTIVE DATE

If approved, this Resolution becomes effective immediately upon Council adoption. The Microsoft Enterprise Agreement becomes effective upon execution by the parties.

OPTIONS

1. Adopt Resolution No. 8732 authorizing a three-year Enterprise Agreement for required Microsoft software licenses, with anticipated annual true-ups, that are necessary for the continued and future utilization of Microsoft software products by the City.
2. Do not adopt Resolution No. 8732 and provide alternative direction to staff.

RECOMMENDATION

Option 1: Adopt Resolution No. 8732 authorizing a three-year Enterprise Agreement for required Microsoft software licenses, necessary for the continued and future utilization of Microsoft software products for the City.

MOTION

Move to adopt Resolution No. 8732 authorizing a three-year Enterprise Agreement for required Microsoft software licenses, necessary for the continued and future utilization of Microsoft software products for the City.

ATTACHMENTS

Proposed Resolution No. 8732

AVAILABLE IN COUNCIL OFFICE

Copy of Microsoft Enterprise Agreement and supporting materials

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 8732

A RESOLUTION authorizing the execution of a three-year Microsoft Enterprise Agreement for required Microsoft software licenses in an amount not to exceed \$1,175,067 inclusive of tax, plus anticipated annual true-ups which are necessary for the continued and future utilization of Microsoft software products by the City.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The City Manager or his designee is hereby authorized to execute a three-year Microsoft Enterprise Agreement for required Microsoft software licenses, in an amount not to exceed \$1,175,067 inclusive of tax, plus anticipated annual true-ups which are necessary for the continued and future utilization of Microsoft software products by the City, a copy of which agreement has been given Clerk's Receiving No. _____.

Passed by the City Council this _____ day of _____, 2014, and signed in authentication of its passage this _____ day of _____, 2014.

(SEAL)

Claudia Balducci, Mayor

Attest:

Myrna L. Basich, City Clerk