

Memorandum



CITY OF DALLAS

DATE May 29, 2015

TO Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair),
Jennifer Staubach Gates (Vice-Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT Upcoming Agenda Item: Purchase of Additional Microsoft Licenses and Enterprise Agreement Renewal

The June 10, 2015 Council Agenda will include an item to increase the contract for additional Microsoft software licenses in the amount of \$683,147 and the five-year renewal of the Microsoft Enterprise Agreement in the amount of \$16,788,927 with SHI Governmental Solutions, Inc., through the State of Texas Department of Information Resources for a total not to exceed amount of \$17,472,074.

Microsoft Corporation requires that organizations who use their software maintain proper licensing for computer and server operating systems, applications and desktop software. In support of this requirement, Microsoft offers several licensing models from single purchases used primary by individuals and small organization up to Enterprise Agreements (EAs) used by large organizations to bundle select products and services into a single program that gives the flexibility and control to optimize software licensing needs in support Information Technology (IT) services throughout the organization.

The City established its Enterprise Agreement in October 2001 based on recommendations made from a technology needs assessment study. The creation of the City's EA granted Communication and Information Services (CIS) the ability to replace outdated and incompatible software products across departments and to adopt industry standards for computing which was Microsoft. The last renewal of the EA was executed in November 2010 and is scheduled to expire on October 31, 2015.

The City's Enterprise Agreement is a comprehensive licensing and technical support model that provides a variety of benefits, including:

- Regular software upgrades costs (software assurance) for any and all new releases of Office application, Windows desktop operating systems, server product licensing, SharePoint and other specialized software at no additional cost during the term of the agreement;
- Fixed pricing provides the ability to predict annual budgetary impacts over multiple years;
- Ability to globally manage products, licensing entitlements and services in the City's environment through the use of system management and deployment tools;
- Streamlines the license purchasing process to ensure timely delivery of IT projects; and
- Allows the City to add or remove various products at any time as technology needs evolve through an annual "true-up" payment using discounted pricing established at the start of the agreement.

DATE May 29, 2015
SUBJECT Upcoming Agenda Item: Purchase of Additional Microsoft Licenses and Enterprise Agreement Renewal, Page 2

In May 2013, the City converted its conventional desktop software licenses to the Microsoft Office 365 Suite, which is a subscription based or a pay-as-you go cloud computing solution hosted and maintained by Microsoft. Office 365 enables employees to work with data and applications from virtually anywhere and on any device. Additionally, the Microsoft cloud meets FBI Criminal Justice Information Services (CJIS) security standards and its utilization transitioned responsibilities from City staff for daily administration, backup/recovery, storage/archiving, security, maintenance and support for email, Office, SharePoint and other cloud applications to Microsoft.

The EA has been very beneficial to the City in supporting IT services and the delivery of IT projects over the years. Since its inception the EA has allowed the City implement new software solutions such as virtual desktops for public use at branch libraries and websites using the SharePoint platform, upgrades of legacy mainframe systems like Advantage Financial, SAP Billing and the Court Case Management, technology refreshes for systems such as CAD emergency dispatch and the Citizens Response Management System along with giving the City the opportunity to improve communications through the use of email.

Future expectations in which the Microsoft Enterprise Agreement will assist the City through the use of technology includes the continued migration of websites to SharePoint, more controls over software licensing elements to manage software assets and to pass compliance audits and while maintaining the most cost effective program for these products.

This agenda item would allow CIS to acquire additional software and subscription licenses for Office 365 and SharePoint as well as renewing the City's Microsoft Enterprise Agreement for another five years.

Please contact Bill Finch at 670-1890 if you have any questions.



Mark McDaniel
Assistant City Manager

c: Honorable Mayor and Members of the City Council
A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager

Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council