Memorandum

CITY OF DALLAS

DATE October 23, 2026

TO Honorable Mayor and Members of the City Council

SUBJECT **October 28, 2026, City Council Agenda Item 26-3256A - Microsoft Government Enterprise**

On October 28, 2026, the City Council will consider item 26-3256A for an enterprise software licensing, including Microsoft 365 copilot or other AI add-on licensing, and cloud subscription services contract. This action will item authorize the City to enter into a three-year contract with SHI Government Solutions through Texas Department of Information Resources (DIR), for Microsoft products and services, in an estimated amount of $25,386,117.39.

DIR is the state agency which helps other state agencies, local governments, public schools, and higher education institutions buy technology products and services at pre-negotiated, discounted rates.

Background

The current contract, authorized by Council Resolution 24-1635, expires on October 31, 2026. The new agreement ensures continuity of enterprise-wide Microsoft software licensing and cloud services across all City departments.

Microsoft provides critical productivity and security platforms for the city, supporting approximately 14,000 licensed users. Of these, 46 percent of licenses directly support public safety operations, including the Dallas Police Department, Dallas Fire-Rescue, the Office of Emergency Management, the Marshal's Office, and Municipal and Main Street Courts. The remaining licenses are utilized by the City's other 37 departments to support their operational and service delivery needs.

Microsoft's integrated security tools help safeguard the City's users, devices, and data by providing continuous threat detection, protection, and compliance capabilities essential to municipal operations. Cloud services are hosted in Microsoft's Government Community Cloud, which supports the City's regulatory obligations. There is no single viable substitute for the wide range of functions provided by the Microsoft platform.

Key Benefits

- Maintains uninterrupted access to essential Microsoft software, cloud services, security updates, and vendor technical support used by every City department.
- Preserves compliance with Microsoft enterprise licensing requirements and strengthens the City's cybersecurity posture through standardized platforms.
- Leverages a competitively awarded DIR cooperative contract to streamline purchasing and maximize value.

If you have questions or need additional information, please contact Jeffrey Stovall, Chief Information Officer at (214) 671-5318 or Jeffrey.Stovall@dallas.gov.

Service First, Now!

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Assistant City Manager

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Bertram Vandenberg, City Attorney (I)
Rory Galter, City Auditor (I)
Bilierae Johnson, City Secretary
Preston Robinson, Administrative Judge
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Dominique Artis, Chief of Public Safety
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Alina Ciocan, Assistant City Manager
Robin Bentley, Assistant City Manager
Jack Ireland, Chief Financial Officer
Ahmad Goree, Chief of Staff to the City Manager
John Johnson, Chief of Real Estate
Directors and Assistant Directors