



Legislation Text

File #: 19-1094, **Version:** 1

MOTION TO APPROVE THE TRUE-UP REQUIREMENT FOR MICROSOFT LICENSING IN AN AMOUNT NOT TO EXCEED \$26,666.01, AND THE RENEWAL OF 3-YEAR MICROSOFT ENTERPRISE AGREEMENT WITH MICROSOFT CORPORATION PURCHASED THROUGH SHI INTERNATIONAL CORP. FOR THE CITY DESKTOP, LAPTOP COMPUTERS, SERVERS AND ELECTRONIC MAIL UTILIZING THE FOLLOWING FLORIDA DEPARTMENT OF MANAGEMENT SERVICES STATE TERM CONTRACT: LICENSING SOLUTIONS PROVIDERS (LSP) OF MICROSOFT SOFTWARE AND SERVICES #43230000-15-02 FOR AN ANNUAL AMOUNT NOT TO EXCEED \$373,432.45, PURSUANT TO SECTION 35.18(C)(5) OF THE CITY'S CODE OF ORDINANCES.

SUMMARY EXPLANATION AND BACKGROUND:

1. The City of Pembroke Pines utilizes a Microsoft Enterprise Agreement (EA) for Microsoft volume software licensing throughout the City including Public Safety, Community Services, and Public Services to support and manage all desktops, laptops, Windows servers, and email. Software products licensed under the Microsoft EA contract include Windows Desktop OS, Windows Office, Microsoft Visio, Microsoft Project, Microsoft Visual Studio, Windows Remote Desktop, Windows Server, Microsoft SQL, and Microsoft Exchange. The Microsoft EA allows the City to create a common platform for simplified support and management through a single agreement.
2. In 2013 the City Commission approved a 3-year Microsoft Enterprise Agreement (EA) in an effort to address compliance requirements and based on recommendations made from a technology needs assessment study. The creation of the City's Microsoft EA granted the Technology Services Department (TSD) the ability to replace outdated and incompatible software products across departments and to adopt industry standards for computing which was Microsoft. This Microsoft EA expired in September 2016.
3. In 2016 the City Commission approved a 3-year renewal of Microsoft Enterprise Agreement (EA) to maintain compliance requirements for Microsoft licensing. This Microsoft EA is scheduled to expire in September 2019.
4. The Technology Services Department proposes to enter into a 3-year renewal of Microsoft Enterprise Agreement (EA) to remain compliant with software licensing and to allow for upgrade paths to current software suites. This will keep the City's key systems and applications secure, functional, and up to date and will streamline the ordering and tracking processes for any new software license(s). In addition, the renewal of the Microsoft Enterprise Agreement (EA) will provide the City with additional benefits including support tools and training. Finally, within the Microsoft Enterprise Agreement (EA) is their (Microsoft's) Software Assurance that gives the City automatic access to new software releases as they become available during the Microsoft Enterprise Agreement (EA) term.

5. The annual cost of the Microsoft Enterprise Agreement (EA) is \$373,432.45 and will be renewed through September 2022. This amount may be adjusted in future years based on actual utilization or needed True-up of any Microsoft applications.
6. As part of a Microsoft Enterprise Agreement (EA), the City is required to align current Microsoft Enterprise Agreement (EA) with the total number of software licenses we may have added in the previous twelve (12) months. This is the True-up process: an inventory is taken of all the qualified desktops, users, and processors added to the City over the course of the year, along with any additional product use requiring a license from Microsoft. The True-up process gives the City a chance to ensure that we are managing and tracking our software licenses correctly. We (the City) are required to pay for any additional software licensing not included in the original Microsoft Enterprise Agreement (EA). In support of this True-up process, Microsoft (along with Technology Services Department) conducted an audit of the City and determined that the one time True-up adjustment for the current fiscal year 2018-19 is \$26,666.01 to address infrastructure growth and expansion over the last 12 months.
7. The Florida Department of Management Services procured SHI International Corp as the SOLE authorized Microsoft reseller for the State of Florida under term contract: Licensing Solutions Providers (LSP) of Microsoft and services, #43230000-15-02.
8. Pursuant to Section 35.18(C)(5) of the City's Code of Ordinances, "Commodities or services that are the subject of contracts with the state, its political subdivisions, or other governmental entities including the United States Government, are exempt from the competitive procurement process.
9. The Technology Services Department request Commission approval for the following items related to the City's Microsoft Enterprise Agreement renewal for software licenses pursuant to Section 35.18(C)(5) of the City's Code of Ordinances:
 - a. Approve the one-time true-up payment for FY2018-19 in the amount not to exceed \$26,666.01.
 - b. Approve the 3-Year renewal of the Microsoft Enterprise Agreement from 10/1/2019 to 9/30/2022 in the total amount not to exceed \$1,120,297.35 for a three year period to be paid annually in the amount not to exceed \$373,432.45.

FINANCIAL IMPACT DETAIL:

Microsoft True-Up Requirement FY2018-19

- a) **Initial Cost:** \$26,666.01 as one-time payment.
- b) **Amount budgeted for this item in Account No:** true-up is available in the current FY2018-19 budget in the following account #: 1-513-2002-64051 (Computer Programs)
- c) **Source of funding for difference, if not fully budgeted:** Not Applicable
- d) **5 year projection of the operational cost of the project** Not Applicable
- e) **Detail of additional staff requirements:** Not Applicable

Microsoft Enterprise Agreement Renewal

- a) **Initial Cost:** \$373,432.45 each year, for a total of \$1,120,297.35 over the three (3) years.
- b) **Amount budgeted for this item in Account No:** The first year of the renewal has been budgeted in the proposed FY2019-20 budget in the following account: 1-513-2002--52652 (Software < than \$1000/or licenses)
- c) **Source of funding for difference, if not fully budgeted:** Not Applicable
- d) **5 year projection of the operational cost of the project:**
- | | FY2019-20 | FY2020-21 | FY2021-22 |
|--------------|----------------|----------------|----------------|
| Revenues | \$0 | \$0 | \$0 |
| Expenditures | \$373,432.45 | \$373,432.45 | \$373,432.45 |
| Net Cost | (\$373,432.45) | (\$373,432.45) | (\$373,432.45) |
- e) **Detail of additional staff requirements:** Not Applicable