

## A G E N D A



## Recommendation for Council Action (Purchasing)

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| Austin City Council | Item ID: | 29133 | Agenda Number | 48. |
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| Meeting Date: | December 12, 2013 |
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| Department: | Purchasing |
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## Subject

Authorize ratification of a 24-month requirements contract through the STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES (DIR) cooperative purchasing program with SHI, for a Microsoft Enterprise License Agreement and software assurance in an amount not to exceed \$3,045,393 for Year 1 and \$3,045,393 for year 2 plus a 20% contingency for annual true-up in an amount not to exceed \$1,218,157, for a total contract amount not to exceed \$7,308,943.

## Amount and Source of Funding

Funding in the amount of \$3,654,471 is available in the Fiscal Year 2013-2014 Operating Budgets of various departments. Funding for the remaining contract period is contingent upon available funding in future budgets.

## Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

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| Purchasing Language: | Cooperative Purchase. |
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| Prior Council Action: |  |
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| For More Information: | Teresa Reddy, Corp Contract Compliance Mgr. 974-6557 |
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| Boards and Commission Action: | December 10, 2013 - To be reviewed by the Airport Advisory Commission. December 11, 2013 – To be reviewed by the Water and Wastewater Commission. |
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| Related Items: |  |
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| MBE / WBE: | This contract will be awarded in compliance with City Code Chapter 2-9C (Minority Owned and Women Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this contract. |
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## Additional Backup Information

The initial Microsoft Enterprise License Agreement (ELA), approved by City Council in September of 2010 for 60 months, included the basic software needed to run the business of the City and any subsequent upgrades. Six amendments added other Microsoft products to the ELA. The City contracted through the State of Texas Department of Information Resources (DIR) with Summus, a minority sub-contractor for Dell, for these products and services. This contract was cancelled before the planned end date in 2015 due to the discontinuation of Dell's contract with DIR. To prevent disruption to City services, SHI of Somerset, NJ, has been providing the products and services through DIR since the discontinuation of the contract with Summus. As a result, the City is now requesting ratification of a new contract for Microsoft products through DIR with SHI for the remaining two years of the initial contract through Fiscal Year 2015.

The annual amount of the contract is based on the number of computers that have accessed the network and the existing software licenses. The contract will also include a contingency amount for new software products and additional licenses to be added as required, with the additional costs to be billed upon an annual "true up" at the end of each contract year.

A contingency of 20% is being requested to cover both the annual true up of core client access licenses as well as the cost of any required Microsoft products not identified to date. The agreement will cover all Microsoft products that may be requested within the contract period.

There may be large purchase requirements during the contract period that are unknown at this time. Therefore, any future large Microsoft product requests which may be required for a specific project and which exceed the threshold requiring Council authority will be requested via a separate RCA.

There has been a 2% price increase between the last contract and this contract.