



MEMORANDUM

TO: Mayor and Council Members

FROM: Stephen Elkins, Chief Information Officer *J. Pennington for Stephen Elkins*

DATE: November 19, 2013

SUBJECT: Ratification – Contract for MSEL A through DIR with SHI

The initial Microsoft enterprise license agreement, which was approved in September, 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 Enterprise License Agreement. The City contracted through 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, another DIR vendor, has been providing the products and services since the end of the contract with Summus in June 2013. As a result, the City is now requesting ratification of a new contract for Microsoft products through DIR with SHI.

The annual amount of the contract will be based on the number of computers that have accessed the network and the existing licenses for Microsoft products. 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.

The RCA requesting this ratification is planned for the 12/12/2013 agenda.

Cc. Marc A. Ott, City Manager
Anthony J. Snipes, Assistant City Manager