


<div> <div>A U S T I N C I T Y C O U N C I L</div> <div>AGENDA</div>  </div>	
<b>Recommendation for Council Action</b> <b>Water &amp; Wastewater Commission</b>	
<b>Council Meeting Date:</b>	September 17, 2015
<b>Department:</b>	Purchasing
<b>SUBJECT</b>	
Authorize negotiation and execution of a 36-month contract through the <b>STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES</b> contract with <b>SHI-GOVERNMENT SOLUTIONS INC</b> for Office 365 Microsoft Enterprise License Agreement for all City departments in an amount not to exceed \$17,594,810. Austin Water's portion of the requested authorization is \$394,182.	
<b>AMOUNT AND SOURCE OF FUNDING</b>	
Funding is available in the Capital Budget of Austin Water. Funding is contingent upon adoption of the Fiscal Year 2015-2016 Operating Budget of Austin Water.	
<b>FISCAL NOTE</b>	
There is no unanticipated fiscal impact. A fiscal note is not required.	
<b>Purchasing Language:</b>	Cooperative Purchase
<b>Prior Council Action:</b>	N/A
<b>For More Information</b>	Shawn Willett, 512-974-2274; Steve Hutton, 512-972-0183
<b>Boards and Commission Action:</b>	Recommended by the Electric Utility Commission on an 11-0 vote on August 17, 2015. Recommendation No. 20150817-013. To be reviewed by the Airport Advisory Commission on September 8, 2015. To be reviewed by Water and Wastewater Commission on September 9, 2015.
<b>MBE/WBE:</b>	This cooperative 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.

The contract is for a new multi-year agreement with SHI-Government Solutions Inc., a State of Texas certified Historically Underutilized Business (HUB), to purchase various Microsoft Cloud products for use in all City departments, the pricing of which will be established through a new Microsoft Enterprise License Agreement (MSELA). Cloud computing is internet-based computing in which large groups of remote servers are networked to allow centralized data storage and online access to computer services and resources. Office 365 is the Microsoft Office suite in the Cloud. The city will be able to move forward with mobility and features that will allow more advantages for remote office work. Office 365 is a subscription service that keeps users up-to-date with the latest versions of Office applications.

Some of the new functionality that will be gained for each user through this contract for Office 365 includes:

#### Microsoft Office

- Latest Office and Office Web Apps (Word, Excel, PowerPoint)
- Desktop, phone, tablet, and web versions

#### SharePoint Online

- Online and offline file services
- Share documents with external partners
- E-Discovery for public information requests and subpoenas

#### Microsoft Skype for Business

- Secure instant messaging and presence
- Online meeting and desktop sharing
- Person to person video conferencing
- Seamless integration with Outlook address book

#### Exchange Online

- 50GB mailbox, unified messaging
- Unlimited archiving
- Email encryption
- E-Discovery for public information requests
- Data loss prevention (Social Security numbers, credit card numbers)
- Rights management for legal and compliance issues

Office 365 meets all compliance requirements including the Health Insurance Portability and Accountability Act and the Criminal Justice Information Systems security requirements for infrastructure and productivity. Both security and service continuity will be enhanced with this contract.

Although the infrastructure and software costs will increase, costs will not increase at the exponential rate of recent years due to reduced needs for data storage and hardware support. In addition, the implementation of Office 365 will facilitate the goal to relieve traffic congestion in central Austin by enabling mobility; providing numerous tools by which employees can continue to work productively and collaboratively from anywhere.

Many States and United States Cities are currently using or in the process of deploying Office 365. Cities using this productivity platform include New York, Chicago, Phoenix, San Diego, Dallas, and San Jose.

The annual amount of the contract is based on the 13,455 employees, contractors and partners that have accessed the network and the existing software licenses. This contract authorization includes a 20% contingency amount for new 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.

The City's MSELA will be based on a cooperative contract through the State of Texas Department of Information Resources (DIR) which establishes competitively bid contracts that can be utilized by the State and other government agencies through a Cooperative Agreement. The DIR cooperative contracts save taxpayer dollars by leveraging the State's volume-buying power to drive down costs on hundreds of technology contracts through a streamlined cooperative purchasing program.

The City currently has an enterprise wide agreement as well as a short term Office 365 agreement which has been used for testing purposes, both of which expire on September 30<sup>th</sup> so it is critical that this new contract is in place before that time.