

AGENDA



Thursday, September 23, 2010

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 60

Subject: Authorize award, negotiation, and execution of a 60-month requirements service contract through the State of Texas Department of Information Resources cooperative purchasing program with DELL MARKETING LP, Round Rock, TX for a Microsoft Enterprise License Agreement and Software Assurance for the Austin Public Library in an estimated amount not to exceed \$288,888.

Amount and Source of Funding: Funding in the amount of \$57,778 is available in the Fiscal Year 2010-2011 Capital Budget of Communications and Technology Management. Funding for the remaining 48 months of the original contract period is contingent upon available funding in future budgets.

Fiscal Note: A fiscal note is attached.

For More Information: Mick Osborne, Specialist Sr. Buyer, 974-2995

MBE/WBE: This Cooperative Purchase is exempt from the MBE/WBE Ordinance. This exemption is in compliance with Chapter 2-9C of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this contract. Related to Item #66.

This contract is for a Microsoft enterprise license agreement (MSELA) to update our current Microsoft infrastructure to the current versions at the Austin Public Library. This portion of the citywide MSELA project will need to be purchased directly from Dell, as Dell resellers are not authorized to sell school/library license agreements. Communications and Technology Management is requesting approval in a separate RCA to contract with Summus Industries, an MBE, for the remaining portions of the MSELA.

This contract includes the Windows desktop operating system (Windows 7), Microsoft Office (Office 2007/2010), email (Exchange 2010), authentication/login (Active Directory), collaboration of shared documents (SharePoint), and associated server software. This backend infrastructure will take at least six months to upgrade before employees will start seeing the benefits of other Microsoft software. From the employee's point of view, this means a new desktop and office environment with new back-end systems for added functionality.

Microsoft is the industry leader in the enterprise desktop space. Their office suite of applications has widespread acceptance across the business and government technology environment. The advantages of this contract will include:

- Volume pricing schedule.
- The ability to spread the payment out over five years.
- Providing a standard platform across all City departments to ensure consistency, lower support costs, and ease of communication.

The standard desktop in the City is still using Windows XP, which was released in 2001. Regular support has ended and extended support is scheduled to end in April of 2014. Extensive application testing must take place before beginning a comprehensive deployment of a new operating system. Therefore the City must begin now to have 10,000+ PCs upgraded by that time. Failure to upgrade poses an increased risk of not being able to utilize new business applications that are dependent on the new version of Windows.

Compatibility issues are already occurring when employees receive files from outside vendors and customers.

“Software Assurance” is included with the enterprise license agreement. This allows version upgrades as they become available with no additional cost to the City. Software Assurance also provides additional benefits such as tools to assist in the deployment process. The Microsoft Desktop Optimization Pack (MDOP) reduces costs associated with the entire PC life cycle by allowing better management and control of PC resources. Training vouchers are included based on the amount of software under the assurance program. These can be used by City IT staff for training on the new technologies which will help ensure a smooth transition to the new infrastructure. Another key benefit of Software Assurance is the provision for “home use” of the Microsoft office software suite for the cost of the media alone (\$10).

The total estimated amount of the RCA includes a 2% contingency for license “true-up”. A true up is the cost of adding more licenses to reflect increased staffing levels or new products needed for new functionality.

The updated version of the Windows operating system (Windows 7) and application software will not run on the majority of the City’s existing computer hardware. This RCA is coupled with a PC lifecycle RCA for General Fund and Support Services Departments which will provide for the replacement of all PCs in those departments over a five year period to ensure that the software purchased with this RCA will have an environment in which to run.

There are a series of four RCAs that combined together, fulfill the City’s goal to put PC hardware for the general fund and the software for the City on a lifecycle:

- PC refresh for the general fund puts the PCs on a 5 year lifecycle through a financing agreement with Dell.
- Microsoft enterprise licensing agreement allows the city to put all the desktop software and most of the other Microsoft products on a citywide agreement purchased via Summus Industries.
- Microsoft enterprise licensing agreement for the Library allows the city to put all the desktop software and most of the other Microsoft products on an agreement purchased via Dell. (Summus is not authorized to sell the educational license agreements).
- The pre-deployment engineering services RCA was approved on July 29 by Council to facilitate the deployment of new PCs purchased via a financing deal with Dell.