

ENTERPRISE AGREEMENT TRUE-UP FOR MICROSOFT DESKTOP SOFTWARE

City Council Staff Report
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Microsoft Enterprise Agreement True-Up

- Microsoft Office 365 products provide the backbone for all City email, word processing, spreadsheets, collaboration, etc. The suite of products in use by the City are covered in an “Enterprise Agreement”.
- A recent routine audit done by Microsoft found that the number of licenses in use by the City exceeded the predicted usage and a financial “true-up” was required to bring the City back within the licensing terms.

Microsoft Enterprise Agreement True-Up

- In 2015, the City extended a three-year Enterprise Agreement (“EA”) with Microsoft to provide City-wide software licenses for applications such as Office, SharePoint, Exchange and Windows Server.
- The City will be extending the EA again for another three years, pending Council approval on August 21, 2018.

Microsoft Enterprise Agreement True-Up

- Over the past three years, the increased cost associated with this agreement is a result of migrating all City staff to the same version of the Office suite platform, plus the higher than expected employees and contractors requiring access to Office suite of products.
- Some of the increase in employee usage is tied to post-fire recovery efforts that resulted in additional contractors and temporary employees, each of which requires access to City email.

Microsoft Enterprise Agreement True-Up

- Microsoft requires an annual true-up to account for any new licenses added during the year. This true-up occurs each year of the contract term.
- Normally the true-up analysis results in a minor adjustment to license costs. However, the post-fire recovery effort drove an abnormally high true-up to cover the additional contractors and employees brought on board during the last year.

Recommendation

- It is recommended by the Information Technology Department, that the Council, by resolution, approve a True-Up for the 2015-2018 Enterprise Agreement with Microsoft for software licenses and support of desktops and servers, through reseller PCM, Inc. dba EnPointe Technologies, Inc., in the amount of \$147,551.31, as a result of a recent audit of our licenses, performed by Microsoft.
- Funds for this amendment are available in the Fiscal Year 2017-18 budgets of the Information Technology, Public Works and Water departments