



Naperville

CITY COUNCIL AGENDA ITEM

SUBJECT: Recommend the Award of Change Order #1 to the Third Three-Year Extension to Contract 06-106, Microsoft Office Enterprise Agreement

TYPE OF VOTE: Simple Majority

ACTION REQUESTED:

Approve the Award of Change Order #1 to the Third Three-Year Extension to Contract 06-106, Microsoft Office Enterprise Agreement, to CDW-G, through a State of Illinois Cooperative Contract, for an amount not to exceed \$25,000 and a total amount not to exceed \$1,050,938.56.

BOARD/COMMISSION REVIEW:

N/A

COUNCIL ACTION PREVIOUSLY TAKEN:

Date	Item No.	Action
12/16/14	K 1	3 rd Award of 3 Year Extension
12/19/11	I 4	2 nd Award of 3 Year Extension
12/16/08	I 6	1 st Award of 3 Year Extension
1/15/08	I 3 a	3 rd Year Award
12/19/08	H 3 a	2 nd Year Award
11/01/05	H 3 b	Original Award

DEPARTMENT: Information Technology (IT)
Finance Department

SUBMITTED BY: Jeff Anderson, IT Director
Rachel Mayer, Finance Director

BACKGROUND:

This contract is for a Microsoft Enterprise Agreement (EA) that provides licensing for all Microsoft software products utilized by the City. The third three-year extension to the Microsoft Office Enterprise agreement was approved by the City Council on December 16, 2014; the extension ends on December 31, 2017.

06-106, CO#1 Microsoft Ent. Agreement
 June 21, 2016
 Page 2 of 2

The IT Department wishes to procure additional Microsoft Internet-based services (“Azure Cloud Services”) to increase reliability and decrease complexity of the cost of City IT services. This initial purchase will allow services to be moved to the Azure Cloud in a structured, measurable fashion to ensure success and proper ROI for future purchases. Microsoft requires that these services be procured as an “Azure commitment level” and attached to any existing Microsoft Enterprise Agreement.

DISCUSSION:

This change order is requested for the purchase of Microsoft Azure Cloud Services to provide for introductory data center services. Relocating specific applications and data to cloud services will allow the city to reduce capital expenditures by reducing needed hardware and software that was to be procured as part of CIP # CE149, Virtual Server and Storage Area Network Upgrade. The CIP project was intended to upgrade the City’s existing virtual host servers and enterprise storage area network (SAN) to allow it to support the increasing number of applications and amount of data being utilized within the City’s data centers. By leveraging Azure Cloud Services for many of the City’s storage and computer needs, the City will be able to scale network resources on an as needed basis, ensure high availability and offload the backend management and disaster recovery services which will further reduce operating and capital expenses. Azure Cloud Services are procured on an annual basis with any overages billed quarterly in a “true up” process and costs will be presented to Council in the form of a future change order dependent on usage for the term of the contract.

FISCAL IMPACT:

CIP #: NA

The City’s Microsoft Enterprise Agreement is expensed to the IT’s Technical Services – Support Services account. A total of \$360,000 was budgeted in CY2016 for the Microsoft Enterprise License Agreement within the account listed below. This change order will increase the total CY2016 expense to \$385,000 in the operating budget. Utilizing Azure Cloud services versus purchasing storage area network upgrades through CIP project #CE149 will result in decreased capital spending for CY2016. Both future year capital and operating budgets will be appropriately adjusted to reflect capital savings and the increased operating expense.

Account Number	Fund Description	Total Budget Amount
010-1611-581.30-29	General - IT	\$934,800

RECOMMENDATION:

Approve the Award of Change Order #1 to the Third Three-Year Extension to Contract 06-106, Microsoft Office Enterprise Agreement, to CDW-G, through a State of Illinois Cooperative Contract, for an amount not to exceed \$25,000 and a total amount not to exceed \$1,050,938.56.

ATTACHMENTS:

1. All Prior Action



Naperville

CITY COUNCIL AGENDA ITEM

SUBJECT: Recommend the Third Three-Year Extension of Contract 06-106, Microsoft Office Enterprise Agreement

TYPE OF VOTE: Simple Majority

ACTION REQUESTED:

Approve the Award of the Third Three-Year Extension of Contract 06-106, Microsoft Office Enterprise Agreement - Component Level D, to CDW-G, through a State of Illinois Cooperative Contract for an amount not to exceed \$1,025,938.56.

BOARD/COMMISSION REVIEW:

N/A

COUNCIL ACTION PREVIOUSLY TAKEN:

Date	Item No.	Action
12/19/11	I-4	2 nd Award of 3 Year Extension
12/16/08	I-6	Award 3 Year Extension
1/15/08	I-3a	3 rd Year Award
12/19/08	H-3a	2 nd Year Award
11/01/05	H-3b	Original Award

DEPARTMENT: Information Technology
Procurement Services Team

SUBMITTED BY: Michael E. Bevis, Chief Procurement Officer

FISCAL IMPACT:

Budgeted Account: 501-1611-581.30-29

Budgeted Amount: \$176,000

Budgeted Account: 410-3331-533.30-29

Budgeted Amount: \$ 68,201

The budget overage will be accommodated by savings in the 501 account for this fiscal year. Future years will be budgeted accordingly.

06-106, Microsoft Agreement

December 16, 2014

Page 2 of 3

BACKGROUND:

This award will provide for a third three-year extension of Contract 06-106, Microsoft Enterprise Agreement- Component Level D, with CDW-G for Microsoft volume software licensing, merge the agreements between Microsoft and the City of Naperville and the Department of Public Utilities-Electric. In December 2005 as approved by Council on 11/01/05 – Agenda Item H, the City entered into an Enterprise Agreement (EA) contract with Microsoft and CDW-G for the licensing of Microsoft software. Council approved two additional three-year extensions to the contract (approved by Council on 1/15/08 and 1/14/11). The City utilizes the contract between Microsoft and the State of Illinois, executed through CDW-G. The agreement with the State and CDW-G is based on the collective purchasing volume of Microsoft software by every State agency and local governments that have chosen to participate within the State. Council approved the City’s participation at Component Level D, which provided the ability to purchase Microsoft software licensing on an as-needed basis. The agreement required a minimum three year commitment, with the license cost amortized over the three year term, and included software upgrade and price protection. Each year the City reviews the number of existing licenses and adds any increase through a “true-up” process.

Historically, the City subscribed for Microsoft software licenses through the use of three (3) separate and diverse agreements:

1. Enterprise Agreement
2. IT Software Assurance Agreement
3. Electric Utility Software Assure Agreement

This results in duplicate licensing and more complicated management and tracking of software licenses. With this Agenda item, the three “agreements” are combined into one. CDW-G, the State of Illinois collective purchaser and supplier of Microsoft licensing, will:

- Continue to treat each agreement as separate until their end of term
- Issue credits equal to amounts paid by the City towards the yearly Enterprise Agreement cost

DISCUSSION:

This contract, allows for a three year extension of the Microsoft Enterprise Agreement, providing continuing software maintenance and upgrade protection of existing licenses for client operating systems, client applications, server operating systems and server applications, as well as Office and Microsoft related planning. Additionally, during the enrollment extension period, the City is able to upgrade the current Office Suite via Office 365. As announced by Microsoft, the firm is moving from per user licensing to a per device licensing during the next few years.

The recommended award will allow the City to save an estimated \$64,000+ per year by providing software resources in both desktop and mobile environments; plus, reduce the overall number of client licenses as we move forward with the Office 365 implementation. It should be noted that Microsoft allows Enterprise Agreements for government related entities within a State to be purchased only through one partner (State of Illinois partner: CDW-G). The State contract

06-106, Microsoft Agreement
December 16, 2014
Page 3 of 3

is awarded by competitive bidding. City IT staff worked diligently to ensure that only needed Microsoft products are included within the new Enterprise Agreement. Most of the yearly savings are the result of this effort. IT's efforts are backed by our consulting firm, the Planet. Their assessment findings showed similar savings per year.

RECOMMENDATION:

Approve the Award of the Third Three-Year Extension of Contract 06-106, Microsoft Office Enterprise Agreement - Component Level D, to CDW-G, through a State of Illinois Cooperative Contract for an amount not to exceed \$1,025,938.56.

ATTACHMENTS:

1. All Prior Action

PRIOR ACTION



Naperville

CITY COUNCIL AGENDA ITEM

SUBJECT: Recommend the Second Three-Year Extension of Contract 06-106, Microsoft Office Enterprise Agreement

TYPE OF VOTE: Simple Majority

ACTION REQUESTED:

Approve the three-year extension of Contract 06-106, Microsoft Enterprise Agreement-Component Level D, to CDW-G, for an amount not to exceed \$522,436.

BOARD/COMMISSION REVIEW:

N/A

COUNCIL ACTION PREVIOUSLY TAKEN:

Date	Item No.	Action
12/16/08	I-6	Award 3 Year Extension
1/15/08	I-3a	3 rd Year Award
12/19/08	H-3a	2 nd Year Award
11/01/05	H-3b	Original Award

DEPARTMENT: Information Technology
Procurement Services Team

SUBMITTED BY: Michael E. Bevis, Chief Procurement Officer

FISCAL IMPACT: Budgeted Account Number: 501-1611-581.30-29
Budgeted Amount: \$162,000 FY12

The \$10,436 of unbudgeted funds required by the Year 7 (FY12) renewal (\$172,436) will be obtained from unused funding for the Cisco Call Manager upgrade project. The \$10,000 anticipated shortfall for Year 8 (FY13) will also be covered by IT by utilizing funds from projects under budget.

06-106, Microsoft Agreement

December 19, 2011

Page 2 of 3

BACKGROUND:

The purpose of this award is to extend contract 06-106 with CDW-G for Microsoft client and server software for an additional three years. The city entered into a three-year Enterprise Agreement (EA) contract with CDW-G for the licensing of Microsoft software in December 2005 (approved by Council on 11/01/05 – Agenda Item H-3b). The City utilized the state of Illinois contract with CDW-G for the purchase of these products. The enterprise agreement for the state of Illinois is based on the collective purchase volume of Microsoft software by every state agency and local government within the state. Council approved the City's participation at Component Level D, which provided the ability to purchase licensing for Microsoft Office suite applications including Microsoft Word, Excel, PowerPoint and Access, server licensing and other ancillary products on an as-needed basis. The agreement required a minimum three year commitment, with the license cost amortized over the three-year term, and included upgrade and price protection. Council approved a three-year extension of the original agreement, providing continuing software maintenance and upgrade protection for the licensed software at the December 16, 2008 meeting – Agenda Item I6.

DISCUSSION:

This contract allows for a second three-year term extension of the original agreement; providing continuing software maintenance and upgrade protection on the licensed software. The agreement also continues the provision for Component Level D pricing for additional software product licenses and Microsoft support benefits. The licensing cost for the original software components was fulfilled during years 1-3, software maintenance costs continue through years 4-9.

During the current renewal process, additional product licensing will be added to the contract and amortized over the three-year term. Licensing and software maintenance was included in the seventh year renewal for:

- Windows 7 licenses to allow for all City desktop PCs and laptops to be upgraded to the latest, most secure Windows operating system.
- Virtual Desktop Access licenses to allow for the use of thin clients as a lower cost option to desktop PCs

The alternative option to continuing the Microsoft Enterprise Agreement is the use of the Microsoft Select Agreement. With this option the City would need to repurchase a full license for each Microsoft Office Suite application and Windows Server in order to upgrade. The cost for this approach would be \$745,607 and the license purchase would be a single payment and not amortized over the term of the contract. As a result, the Microsoft Enterprise Agreement continues to be the lowest cost option for the City.

Following are the projected costs for the three-year contract extension. Funds exist in the IT budget to cover the unbudgeted costs for FY 12 and FY13.

06-106, Microsoft Agreement
 December 19, 2011
 Page 3 of 3

	Year 7 (FY 12)	Year 8 Estimate (FY 13)	Year 9 Estimate (FY 14)	Years 7-9 Estimated Total
Enterprise Agreement	172,436	175,000	175,000	522,436
Budgeted Amount	162,000	165,000	NA	

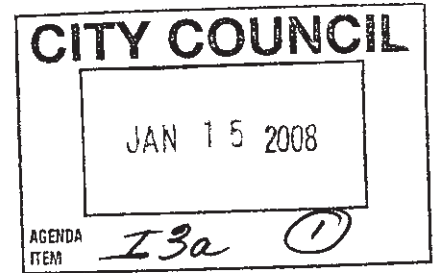
RECOMMENDATION:

Approve the three-year extension of Contract 06-106, Microsoft Enterprise Agreement-Component Level D, to CDW-G, for an amount not to exceed \$522,436.

ATTACHMENTS:

1. Award of 1st- 3 Year Extension (contains all prior awards)

PRIOR ACTION



**CITY OF NAPERVILLE
AWARD OF EXTENSION
CONTRACT: 06-106**

Requesting Department: Information Technology
Procurement Name: 06-106 Microsoft Office Enterprise Agreement
Recommended Vendor: Computer Discount Warehouse–Government (CDW-G)
Amount of Award: \$209,775 79 – Third Year
Contingency Amount: 3% 5%
 CIP # Budgeted Account 501-1611-581 30 29
 Budgeted Amount \$216,315 00

DESCRIPTION

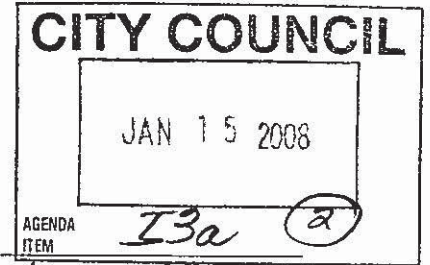
The city entered into a three-year Enterprise Agreement (EA) contract with Microsoft and CDW-G for the licensing of Microsoft Office and Microsoft server software in December, 2005 (Agenda Item H-3b) In July 2005, CDW-G was awarded the Microsoft Enterprise Agreement Contract for the State of Illinois The city utilized the State of Illinois Joint Purchasing Contract for the purchase of these products Council approved the city’s participation at Component Level D, which provided the ability to purchase licensing for Microsoft Office suite applications including Microsoft Word, Excel, Power Point, Access, server licensing and other ancillary products on a line-item, ala carte basis The agreement required a three-year commitment, with total costs spread over the three year life of the contract, and also includes upgrade and price protection for additional licenses purchased The second year of the contract was approved by Council 12/19/06 (Agenda Item H-3a).

The total cost to the City for the three years was estimated to be \$583,862 The third year was estimated to cost \$203,169 00 The actual cost of the third year of the commitment is \$202,034 03 The purchase of additional server licensing, Microsoft Visio and Project Office applications during the third year option is \$7,741 76, for a total cost of \$209,775 79

EXHIBITS

A	Original Award – (1 st Year of 3)
B	2 nd Year Award – (2 nd Year of 3)


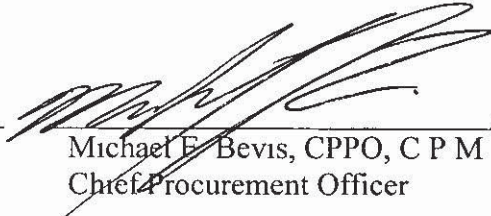
Microsoft Office Enterprise Agreement
Page 2 of 2
January 7, 2008



RECOMMENDATION

Staff recommends that Council award the third year renewal of the three-year Microsoft Enterprise Agreement Component Level D option with Microsoft and CDW-G, at the third year cost not to exceed \$209,775 79

SUBMITTED BY

	
Lawrence E Gunderson	Michael E Bevis, CPPO, C P M
Information Technology Team	Chief Procurement Officer
Leader	
1/7/08	1/07/08
Date	Date
	tfd



Naperville

COUNCIL AGENDA ITEM SUMMARY SHEET

CITY COUNCIL
 11-1-05
 AGENDA ITEM H3b

CITY COUNCIL DEC 19 2006
 AGENDA ITEM H3a (2)

TITLE: Recommend award of Contract 06-106, Microsoft Office Enterprise Agreement

CITY COUNCIL AGENDA DATE: 11/1/05

SYNOPSIS: Approve award of Microsoft Office Enterprise Agreement-Component Level - D

COUNCIL ACTION PREVIOUSLY TAKEN:

Date of Action _____

Action _____

Item No _____

CITY COUNCIL
 JAN 15 2008
 AGENDA ITEM H3a (3)

TYPE OF VOTE REQUIRED: Simple Majority

COUNCIL ACTION REQUESTED:

Approve the award of Bid 06-106, Microsoft Office Enterprise Agreement-Component Level - D option with Microsoft and Computer Discount Warehouse - Government (CDW-G), for a total amount not to exceed \$168,620, for the first year cost

Submitted by: Doug A. Krieger
 Name

Finance
 Department

AGENDA ITEM NOTES

Revised August, 2005

EXHIBIT
 A
 1-7-08

CITY COUNCIL NOV - 1 2005
 AGENDA ITEM H3b (1)

**CITY OF NAPERVILLE
 AWARD OF CONTRACT 06-106**

CITY COUNCIL DEC 19 2006
 AGENDA ITEM H3a (3)

Requesting Department: Information Technology
Procurement Name: Microsoft Office Enterprise Agreement
Recommended Vendor: Computer Discount Warehouse-Government (CDW-G)
Amount of Award: \$168,620 – First Year
Contingency Amount: 3% 5%
 CIP # Budgeted Account 501-1611-581.30 29
 Budgeted Amount \$125,000

CITY COUNCIL
 AGENDA ITEM I3a (4)
 JAN 15 2008

DESCRIPTION

The purpose of this award is to recommend that the city enter into a three-year Enterprise Agreement (EA) contract with Microsoft and CDW-G for the licensing of Microsoft Office and Microsoft server software. The Microsoft EA includes licensing of Microsoft Office suite including Microsoft Word, Excel, Power Point, and Access, server licensing and other ancillary products. We are recommending that the city use the State of Illinois contract for the purchase of these products. In July 2005, CDW-G was awarded the Microsoft Enterprise Agreement contract for the State of Illinois.

The cost for the first year of the EA is \$168,620. The first-year payment by the city will be \$125,000, the budgeted amount, because we have a credit with CDW-G for Microsoft Sharepoint Intranet Portal software that was purchased prior to the agreement and is now a product covered under the EA. The cost to the city for the three years is estimated to be \$583,862. Below is a table that shows costs for the four options for licensing offered by Microsoft. Staff is recommending that the City Council approve the Enterprise Agreement-Component Level D option.

Agreement Type	Year 1	Year 2	Year 3	1-3 Yr. Total	Year 4	Year 5	Year 6	4-6 Yr. Total	6 Yr. Total
Enterprise Agreement – Full Platform D	\$168,620	\$225,788	\$216,471	\$610,879	\$109,692	\$109,692	\$109,692	\$329,077	\$939,956
Enterprise Agreement – Component D	\$168,620	\$212,073	\$203,169	\$583,862	\$68,572	\$68,572	\$68,572	\$205,717	\$789,579
Select Agreement + Software Assurance:	\$746,281	N/A	N/A	\$746,281	\$382,807	N/A	N/A	\$382,807	\$1,129,088
Select Agreement Only:	\$414,501	N/A	N/A	\$414,501	\$517,792	N/A	N/A	\$517,792	\$932,293

CITY COUNCIL
NOV - 1 2005
AGENDA ITEM *H36* (2)

With the EA, Microsoft is offering the city an even lower cost to sign another three-year EA at the end of the first term, at much lower prices than the first three years. As the table indicates, the Select Agreement Only option is the lowest three-year cost. However, the IT Department does not see any alternatives to using Microsoft Office for at least the next six years and recommends that we take the lowest six-year cost.

In 1999, the city purchased Microsoft Office 2000 software under the Select Agreement and has used that software for the past six years. The cost of the purchase was \$169,939.60. Even though we have used the same version for six years, we do not recommend using the same version for that long as a standard or best practice. In fact, the main reason for extending the use that long is because Microsoft has changed their licensing programs several times over the past few years, and there was not a clear way for us to proceed until now. Also, since the IT Department is recommending that we upgrade at least two times during the six-year period, it makes financial sense to take the lowest six-year cost.

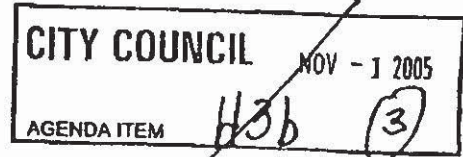
CITY COUNCIL
DEC 19 2006
AGENDA ITEM *H3a* (4)

We are now at a point where the software must be upgraded in order to remain eligible for support from Microsoft, meet new business needs, and stay compatible with associated computer hardware and software. In the past, the city has procured this software on an individual one-time basis using the Microsoft Select Agreement through the State of Illinois contract. Microsoft has offered the EA to larger customers for many years, however, this is the first time there has been a statewide vehicle in place to allow local governmental organizations to take advantage of the EA at volume prices.

The EA for the State of Illinois is based on the collective purchase volume of Microsoft software by every state agency, and local government within the State. While this has been true for Microsoft's Select Agreement contracts, Microsoft has not offered the EA to state and local governments until July 2005. The pricing and discounts for the current EA were selected by the State of Illinois based on a Request For Proposals response from CDW-G based on volumes between 50,000 and 100,000 users. This new statewide EA contract vehicle currently offers the best pricing to local government over any other contract options available to the City of Naperville. Municipalities including Peoria, Bloomington, Evanston, Kane County and Lake County have recently approved using the EA through the State.

CITY COUNCIL
JAN 15 2008
AGENDA ITEM *28a* (5)

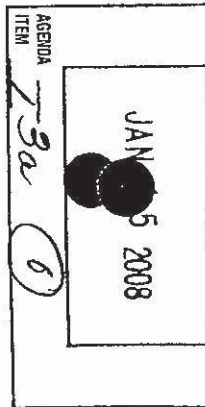
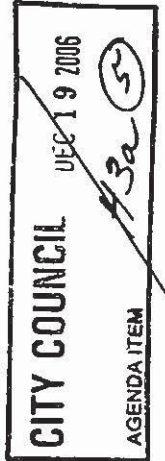
The State of Illinois was in the process of negotiating a five-year EA with Microsoft at the time the IT Department was preparing the FY 05-06 budget. Based on preliminary information from Microsoft, staff budgeted for the licenses based upon a five-year agreement that would have lowered the annual cost by amortizing the cost of licenses over the length of the agreement. The budgeted amount is \$125,000, for the first year, however, we did not know what the costs were to be for years two through five. Ultimately, the State of Illinois decided to award a three-year agreement to CDW-G, which is where we are today.



In order to meet our budgetary needs, the city negotiated a \$43,620 credit for Microsoft Sharepoint Intranet Portal software that effectively lowers our first year cost to \$125,000, the budgeted amount. Please note that the cost for years two and three of the EA are higher than year one because they cover the balance of the total cost.

The advantages of purchasing software using the Microsoft Enterprise Agreement-Component Level D are as follows.

- The cost of the software licenses is amortized, without interest, over a three-year period instead of paid entirely the year it is purchased
- The method of making annual one-time payments under the EA significantly reduces administrative costs involved with purchasing the licenses individually
- The EA allows staff to use the latest versions of Microsoft software as they become available during the lifetime of the agreement
- The EA sets fixed costs over a three-year term at the start of the agreement
- The six-year cost of software included in the EA is 15% less expensive than any other option available to the city The EA also includes annual volume discounts based upon the number of public agencies who have signed on to the State of Illinois EA These volume discounts are estimated to be 2 40% after the first year, 9% after the second year, 13 20% after the third year If the city renews after year three, the volume discounts are estimated to be 17 76% annually and the city pays only 35% of the original cost (years one, two & three) during years four, five and six
- The Home Use Program allows city staff covered in the agreement (Licensed Office Users), to purchase a "home use" license of Microsoft Office Professional for approximately \$20
- The Employee Purchase Program provides the opportunity to City staff covered in the agreement (Licensed Users) to purchase other Microsoft software discounted up to 30% off the standard retail price
- The EA provides access to resources that help keep the city computer systems running smoothly These resources include 20 days of technical training vouchers worth \$7,000, one day of desktop deployment planning worth \$1,000, \$30,000 of consulting and implementation services, and upgraded access to technical support via the web, telephone and documentation
- The EA provides IT staff with simplified license tracking
- If the City decides to end the agreement before the three-year term expires, the City is responsible to pay the balance of the cost of the software licenses it purchased under the program Microsoft would convert Enterprise Agreement licenses to Select Agreement licenses based upon straight proration of the amount the city had contributed



CITY COUNCIL NOV -1 2005
AGENDA ITEM H3b (4)

Staff recommends that the Council approve the three-year Microsoft Enterprise Agreement-Component Level D option with Microsoft and CDW-G, at a first year cost of \$168,620

CITY COUNCIL DEC 19 2006
AGENDA ITEM H3a (6)

SUBMITTED BY:

Donald J. Carlsen 10/24/05
Donald J Carlsen Date
IT Director

Michael B. Bevis 10/21/05
Michael B. Bevis, CPPO, C P M Date
Chief Procurement Officer

CITY COUNCIL
JAN 15 2008
AGENDA ITEM I3a (7)



Naperville

CITY COUNCIL
 12-19-06
 AGENDA ITEM 13a

CITY COUNCIL
 JAN 15 2008
 AGENDA ITEM 13a (8)

COUNCIL AGENDA ITEM SUMMARY SHEET

TITLE: Recommend award renewal of Contract 06-106, Microsoft Office Enterprise Agreement

CITY COUNCIL AGENDA DATE: 12/19/06

SYNOPSIS: Approve award renewal of Microsoft Office Enterprise Agreement-Component Level - D

COUNCIL ACTION PREVIOUSLY TAKEN:

Date of Action	Item No	Action
11/1/05	H-3b	Original Agenda Item

TYPE OF VOTE REQUIRED: Simple Majority

COUNCIL ACTION REQUESTED: Approve the award renewal of Bid 06-106, Microsoft Office Enterprise Agreement-Component Level - D option year 2 (two) with Microsoft and Computer Discount Warehouse - Government (CDW-G), for a total amount not to exceed \$214,755, for the second year cost

Submitted by: *Douglas A. Krueger*
 Name Douglas A. Krueger
 Dept. Finance

Prepared by: *Michael E. Bevis*
 Name Michael E. Bevis
 Dept. Finance

AGENDA ITEM NOTES



CITY COUNCIL DEC 19 2006
AGENDA ITEM H3a (1)

CITY COUNCIL
JAN 15 2008
AGENDA ITEM Z3a (9)

CITY OF NAPERVILLE
AWARD OF CONTRACT 06-106

Requesting Department: Information Technology
Procurement Name: Microsoft Office Enterprise Agreement
Recommended Vendor: Computer Discount Warehouse-Government (CDW-G)
Amount of Award: \$214,755 – Second Year

Budgeted Account 501-1611-581 30 29
 Budgeted Amount \$215,000

DESCRIPTION

The City entered into a three-year Enterprise Agreement (EA) contract with Microsoft and CDW-G for the licensing of Microsoft Office and Microsoft server software in December 2005 (Approved by Council 11/01/05 - Agenda Item H-3b). In July of 2005, CDW-G had been awarded the Microsoft Enterprise Agreement contract for the State of Illinois. The City utilized the State of Illinois contract for the purchase of these products. Council approved the City's participation at Component Level D, which provided the ability to purchase licensing for Microsoft Office suite applications including Microsoft Word, Excel, Power Point, and Access, server licensing and other ancillary products on a line-item, a la carte basis (see Original Agenda Item attached as Exhibit A).

The agreement required a three-year commitment, with total cost spread over the three-year life of the contract, and includes upgrade and price protection for additional licenses purchased. The cost to the City for the three years was estimated to be \$583,862. Year two was budgeted for \$215,000

Staff requests that Council approve year two of the three-year Microsoft Enterprise Agreement-Component Level D option with Microsoft and CDW-G, at the second year cost of \$214,755

EXHIBITS

A Original Agenda Item

SUBMITTED BY:

Donald J. Carlsen 12/8/2006
Donald J. Carlsen Date
IT Director

Michael E. Bevis
Michael E. Bevis, CPPO, C.P.M. Date
Chief Procurement Officer