



Legislation Details (With Text)

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Title: Approve the award of Cooperative Procurement 23-300, Microsoft Enterprise Agreement, to Dell Marketing, LP for an amount not to exceed \$2,184,984.59 and for a three-year term

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
12/19/2023	1	City Council	approved	Pass

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Cooperative Procurement 23-300, Microsoft Enterprise Agreement, to Dell Marketing, LP for an amount not to exceed \$2,184,984.59 and for a three-year term

DEPARTMENT: Information Technology

SUBMITTED BY: Jacqueline Nguyen, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

The City of Naperville has used an Enterprise Agreement (EA) to license and manage Microsoft software since 2005. The EA is offered through Microsoft and administered by vendors to sell Microsoft products because Microsoft does not sell directly to the public. Under the EA that expired on December 31, 2020, staff consolidated Microsoft EA purchases under one Citywide contract. The City's current EA was renewed for a three-year term beginning in January 2021 and is expiring on December 31, 2023.

An EA streamlines license management within the City, simplifies purchasing, and provides for predictable payments throughout the agreement. Under an EA, the costs for both maintenance and new purchases are distributed over the three-year term and prices are locked for the entirety of the contract. During the contract, additional software licenses may be added as needed. These are either purchased during the year or paid for with a true-up order at the end of a year. Additions may be necessary due to growth in users, adoption of new tools such as PowerBI, or the need to acquire new software and applications. Any such additional spending beyond current best estimates will be addressed through change orders.

Regular software updates are included in the EA at no additional cost through the Microsoft Software Assurance program. The program provides for technical support, training, and planning services.

The State of Illinois holds a Microsoft Large Account Reseller Statewide Master Contract which provides pricing levels on all Microsoft products. The state contract is awarded to Dell USA, LP (Dell), a Microsoft Licensing Solutions Partner. Through the state contract, the City is provided Level D pricing which is comparable to the pricing provided to commercial customers who license 15,000 or more users.

DISCUSSION:

The list of categories below highlights the variety licenses that are included in this agreement, as well as a percentage of total EA cost:

1. Windows operating system and Microsoft365 applications

This category is approximately 61% of the EA cost. It covers the Windows operating systems and Microsoft Office applications for over 1,000 users and PCs across the City. Microsoft applications include Word, Excel, PowerPoint, SharePoint, Teams, Visio, PowerBI, PowerApps, and more. This also includes PC security elements such as Advanced Threat Protection (ATP) and Defender.

2. Azure

This category is approximately 13% of the EA cost. This is Microsoft's Cloud computing and storage service. The majority of this cost is incurred by the Electric Utility for various backup and disaster recovery needs.

3. SQL

This category is approximately 12% of the EA cost. The SQL database software manages databases used by various City applications including GIS applications, public safety applications, asset management applications, Water Advanced Meter Infrastructure (AMI), Microsoft Biztalk, and various utility billing functions.

4. Windows Server

This category is approximately 6% of the EA cost. Windows Server software is the operating system for many of the City's servers. These servers host the applications and solutions used by the various City departments.

5. BizTalk

This category is approximately 6% of the EA cost. BizTalk provides applications programming interfaces (APIs) between various applications and databases from many different vendors. It is used primarily by the Electric Utility for the SmartGrid to translate and transfer data between systems.

6. Other

This category is approximately 2% of the EA cost. This category includes software tools like remote desktop solutions and visual programming tools.

Staff has identified an approved cooperative contract State of Illinois - CMT1176800 for this procurement.

The current EA pricing, including estimated Azure billing, is \$728,328 per year, totaling \$2,184,984.59 for 3 years.

The new EA contract will begin on January 1, 2024, and will end on December 31, 2026.

FISCAL IMPACT:

CIP#: N/A

Maintenance cost for the Microsoft Enterprise agreement is expensed to the account number listed below. A total of \$700,000 is included in the 2024 budget for this service. Staff will include the remaining amounts per the contract period during each respective budget cycle.

Account Number	Fund Description	Total Budget Amount
16101100-531312	General Fund	\$3,655,145