



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

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Communication

Roll Call

Submitted by: Michael Armstrong, Chief Information Officer

SUBJECT—

Enterprise Software Assurance for all Microsoft software products

SYNOPSIS—

Acquire Enterprise Software Assurance for all Microsoft software products pursuant to State of Iowa Contract #2545. Vendor is ASAP Software, 850 Asbury Drive, Buffalo Grove, IL 60089

FISCAL IMPACT—

Annual cost of \$269,126.00 (beginning FY05) for three years from IT operating funds. One-time cash rebate of \$38,000 for conversion to new model.

RECOMMENDATION—

Approval

BACKGROUND—

The City currently acquires Microsoft software products (the standard for desktop and server operating systems, office suites and database management) through the current Microsoft License Select agreement from the State of Iowa (Contract #CT2545). This agreement expires on June 30, 2004. Staff recommends converting to an Enterprise Assurance model before the current contract expires.

This change will move the City to a subscription model for the acquisition of Microsoft products, and provides substantial cost savings over its three-year term. It will also allow staff to rationalize the acquisition and deployment of these products, as well as provide predictability of cost. This software is available for the 1100 desktop and portable systems supported by IT for an annual cost of \$269,126.00. Software assurance will provide the following additional value:

1. 100 % license coverage with full licensing compliance.
2. New releases of software deployed with greater ease and flexibility as they become available, which simplifies the procurement process. The City will eliminate costs associated with acquiring new version releases of Windows O/S, Server Clients, and Office 2003 Pro and can immediately take advantage of latest technology.
3. Problem Resolution Support that would cost \$69,300.00 if purchased separately.
4. TechNet Plus - a knowledge database resource for IT, which, if purchased separately, would cost \$780.
5. E-Learning – Training courses available for end users or IT staff. Cost if purchased separately would be \$179,300. Could result in reduction of outside training cost.
6. Training Vouchers – 30 days of training vouchers can be used at any Microsoft Certified Technical Education Center. These vouchers would be used by IT staff. Cost if purchased separately would be \$12,750.00.
7. Home use rights – licensed products are automatically licensed for use on employees' home computers at no cost.
8. Employee purchase rights – employees can purchase Microsoft products at discounted prices.

Moving to this model would allow us to maintain consistency of operating systems and desktop software, rather than staging and supporting various versions at any time. For example, we could move to Office 2003 and Windows XP throughout the enterprise immediately, while spreading that cost over a number of years. To accomplish this under the current acquisition model would require a one-time expenditure of at least \$897,600.

Microsoft and the State of Iowa contractor (ASAP Software) have agreed to defer billing for this acquisition until July 1, 2004. However, in order to obtain the \$38,000 cash rebate we must commit to this purchase immediately. The Purchasing Agent concurs with this recommendation.