

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Authorizing the City Manager Enter Into a Three-year Microsoft Enterprise Licensing Agreement in the Amount of \$157,611 with CDW Logistics, Inc.
DEPARTMENT:	Administrative Services
PRESENTED BY:	Sara Lane, Administrative Services Director Karen Mast, IT Manager
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

Staff is requesting City Council approval to authorize the City Manager to execute a three-year licensing contract with third-party reseller, CDW Logistics, Inc. for Microsoft Enterprise Agreement Level 3 (EA3) licensing. This licensing is to secure continued SharePoint Online and Office365 licensing for City of Shoreline staff. This agreement replaces the third-party contract previously supplied by Zones, LLC., which could no longer provide a state/local government contract for the City's use. The total amount of this contract is \$157,611, or \$52,537 annually for three years. The contract effective dates are from June 27, 2019, when our previous licensing expired, through June 26, 2021.

RESOURCE/FINANCIAL IMPACT:

The cost of this three-year agreement (\$157,611) is funded in the Information Technology (IT) budget. This contract represents an increase to the prior contract of \$5,981 annually. The reason for the increase to annual cost is due to growth in the number of Office365 subscriptions. The 2019 IT Operations Budget includes adequate budget funding for this contract due to savings achieved in other areas of IT.

RECOMMENDATION

Staff recommends that Council authorize the City Manager to enter into the licensing agreement with CDW Logistics, Inc. in the amount of \$157,611 to secure Microsoft Enterprise Agreement licensing for a three-year contract period.

Approved By: City Manager **DT** City Attorney **MK**

BACKGROUND

The City uses Microsoft SharePoint and Office products (Word, Excel, PowerPoint, Outlook) for office productivity, file sharing and collaboration. The City moved to Office365 enterprise licensing in 2018. This software as a service approach provides access to Office product software in the cloud, ensuring that staff always have the most current version of software available and providing additional functionality to users. While the annual cost of licensing is higher, the long-term licensing and administration costs are lower.

The City of Shoreline has been successfully utilizing SharePoint Online and Office365 for City staff with following benefits:

- Central location for documents, lists and staff interactions.
- Remote access to SharePoint and Office365 applications, including Email.
- Ability to add additional functionality as appropriate, including additions for Emergency Management and Web Development.

The license model for these applications is covered under an Enterprise Agreement through a third-party reseller. Occasionally, third-party resellers are no longer able to offer government approved contracts, necessitating the need to find a new reseller. This is the reason for the move from the City former reseller (Zones, LLC) to another reseller (CDW Logistics, Inc.) and putting forth this proposed three-year contract. In order to maintain staff licensing for these products, staff have already processed the initial year's invoice.

DISCUSSION

Staff is requesting City Council approval to authorize the City Manager to execute a three-year licensing contract with third-party reseller, CDW Logistics, Inc. for Microsoft Enterprise Agreement Level 3 (EA3) licensing. The total amount of this contract is \$157,611, or \$52,537 annually for three years. The contract effective dates are from June 27, 2019, when our previous licensing expired, through June 26, 2021.

While individual licensing costs in this contract compared to the City's last provider are similar, the proposed annual contract of \$52,537 is higher than the prior contract with Zones, LLC by \$5,981 per year. Each year the actual licensing will be reviewed, which will generally result in a slightly higher or lower annual cost for that year depending on changes in the number of staff that accesses SharePoint and Office products.

The higher than anticipated increase in this agreement is due to an unusually high increase in licenses, including:

- accommodating new positions added,
- adding two G5 licenses for Skype conference calling for Emergency Management, and
- adding a PowerApps license for the Web Development team.

Staff does not expect this level of change on an annual basis.

RESOURCE/FINANCIAL IMPACT

The cost of this three-year agreement (\$157,611) is funded in the Information Technology (IT) budget. This contract represents an increase to the prior contract of \$5,981 annually. The reason for the increase to annual cost is due to growth in the number of Office365 subscriptions. The 2019 IT Operations Budget includes adequate budget funding for this contract due to savings achieved in other areas of IT.

RECOMMENDATION

Staff recommends that Council authorize the City Manager to enter into the licensing agreement with CDW Logistics, Inc. in the amount of \$157,611 to secure Microsoft Enterprise Agreement licensing for a three-year contract period.