

Mayor and Council Communication

DATE: 03/09/21

M&C FILE NUMBER: M&C 21-0168

LOG NAME: 04 MICROSOFT SOFTWARE LICENSES

SUBJECT

(ALL) Authorize the Execution of a Purchase Agreement with SHI Government Solutions, Inc. for Microsoft Software, License, Maintenance, and Related Services for the Information Technology Solutions Department, Using Cooperative Contract DIR-TSO-4092 in an Annual Amount of \$1,406,387.25 for a Three-Year Term Amount of \$4,219,161.75

RECOMMENDATION:

It is recommended that the City Council authorize the execution of a purchase agreement with SHI Government Solutions, Inc. for Microsoft software, license, maintenance, and related services for the Information Technology Solutions Department using State of Texas Department of Information Resources Cooperative Contract DIR-TSO-4092, in an annual amount of \$1,406,387.25 for a three-year term amount of \$4,219,161.75.

DISCUSSION:

On March 3, 2018, City Council approved Mayor and Council Communication (M&C) P-12181 for the execution of a purchase agreement with SHI Government Solutions, Inc. for Microsoft licenses. This action seeks to replace M&C P-12181 for continued services.

The Information Technology Solutions Department (ITS) will use this agreement to purchase Microsoft software licenses, maintenance, and related services for desktops, laptops, tablets, smartphones, servers, and databases under a Microsoft Enterprise Agreement (EA) for the foundation Microsoft products used by most employees. Software under the EA includes, but is not limited to Windows Desktop and Server, Office, Exchange, Virus Protection, and required Client Access Licenses (CAL) to maintain licensing compliance. Significant benefits under this agreement include consistent software availability regardless of the device type (desktop/laptop, tablet, smartphone), fast deployment, and broad management controls.

The contract pricing is based on the current license count but additional licenses will be added as new devices are brought online. An authorization of \$50,000.00 is requested to ensure that the ITS Department is able to pay for additional licenses acquired throughout the year. This "true-up" amount was determined using historical growth data.

	ITS	WATER IT	LIBRARY	ADDITIONAL LICENSES	TOTAL
Year 1	\$ 1,199,911.54	\$ 136,475.71	\$20,000.00	\$50,000.00	\$ 1,406,387.25
Year 2	\$ 1,199,911.54	\$ 136,475.71	\$20,000.00	\$50,000.00	\$ 1,406,387.25
Year 3	\$ 1,199,911.54	\$ 136,475.71	\$20,000.00	\$50,000.00	\$ 1,406,387.25
Total	\$ 3,599,734.62	\$ 409,427.13	\$60,000.00	\$150,000.00	\$4,219,161.75

ADMINISTRATIVE INCREASE – An administrative change order or increase may be made by the City Manager up to the amount allowed by relevant law and the Fort Worth City Code and does not require specific City Council approval as long as sufficient funds have been appropriated.

PRICE ANALYSIS – The Department of Information Resources (DIR) contract DIR-TSO-4092 offers fixed discounts. Staff reviewed the pricing and determined it to be fair and reasonable.

COOPERATIVE PURCHASE – State law provides that a local government purchasing an item under a cooperative purchasing agreement satisfies any state law requiring that the local government seek competitive bids for purchase of the item. DIR Contracts are competitively bid to increase and simplify the purchasing power of government entities across the State of Texas.

M/WBE OFFICE - A MBE/SBE goal is not assigned when purchasing from an approved purchasing cooperative or public entity.

SUCCESSOR CONTRACTS - In the event that the cooperative contract is not renewed, staff would cease purchasing at the end of the last purchase agreement coinciding with the valid cooperative contract. If the City Council were to not appropriate funds for a future year, staff would stop making purchases when the last appropriation expires, regardless of whether the then-current purchase agreement has expired. The City initially use these cooperative contracts to make purchases authorized by this M&C. The cooperative contracts expire on various dates. If the cooperative contract is extended, this M&C authorizes the City to purchase similar services under the extended contracts. If the cooperative contract is not extended, but a new cooperative contract is executed with the respective vendor with substantially similar terms as the previous cooperative contract, this M&C authorizes the City to purchase the services under the new cooperative contract.

AGREEMENT TERM – Upon City Council's approval, this agreement will commence upon execution by both parties and expire in accordance with DIR-TSO-4092 or applicable successor contract. The agreement may be renewed for additional terms according to the cooperative agreement at the City's options to renew. This action does not require specific City Council approval provided that the City Council has appropriated sufficient funds to satisfy the City's obligations during the renewal term. The Agreements may be renewed up to two (2) additional one-year terms.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are available in the current operating budget, as previously appropriated, in the participating departments' Operating Funds to support the approval of the above recommendation and execution of the purchase agreement. Prior to any expenditure being incurred, the participating departments have the responsibility to validate the availability of funds.

Submitted for City Manager's Office by: Valerie Washington 6192

Originating Business Unit Head: Kevin Gunn 2015

Additional Information Contact: Kevin Gunn 2015