

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 02/27/24M&C FILE NUMBER: M&C 24-0138

LOG NAME: 04MICROSOFT EA COOPERATIVE PURCHASE AGREEMENT SHI

SUBJECT

(ALL) Authorize the Execution of a Cooperative Purchase Agreement with SHI Government Solutions, Inc. for Microsoft Software, Licenses, Maintenance, and Related Services in an Annual Amount Up to \$2,915,000.00 for Year One, \$3,206,500.00 for Year Two, and \$3,527,150.00 for Year Three and Authorize an Amendment to City Secretary Contract (CSC) 57566 with Microsoft Corporation for Unified Enterprise Support Services in the Annual Amount of \$225,000.00 with Up to a 10% Annual Increase and Renewal Options for the Information Technology Solutions Department

RECOMMENDATION:

It is recommended that the City Council authorize the execution of a cooperative purchase agreement with SHI Government Solutions, Inc. for Microsoft software, licenses, maintenance, and related services in an annual amount up to \$2,915,000.00 for year one, \$3,206,500.00 for year two, and \$3,527,150.00 for year three and authorize Authorize an amendment to City Secretary Contract (CSC) 57566 with Microsoft Corporation for Unified Enterprise Support Services in the amount of \$225,000.00 with up to a 10% annual increase and renewal options for the Information Technology Solutions Department.

DISCUSSION:

This Mayor and Council Communication (M&C) is to request authorization to execute a cooperative purchase agreement with SHI Government Solutions, Inc. (SHI) using Texas Department of Information Resources (DIR) DIR-CPO-5237 in an annual amount up to \$2,915,000.00 for year one, \$3,206,500.00 for year two, and \$3,527,150.00 for year three. This M&C also requests authorization to amend City Secretary Contract (CSC) 57566 with Microsoft Corporation (Microsoft) using DIR-CPO-4911 for an annual amount of \$225,000.00, with up to a 10% annual increase and renewal options.

The Information Technology Solutions Department (ITS) will use the agreement with SHI 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 City employees. Significant benefits under this Microsoft EA include consistent software availability regardless of the device type, fast deployment, and broad management controls.

There are 4 separate agreements represented, CFW Enterprise, CFW Water, CFW Library (under a non-profit agreement), and the Unified Support agreement.

ITS will use the Microsoft CSC 57566 amendment to purchase Unified Enterprise Support Services for all Microsoft products for a one-year period beginning April 1, 2024 through March 31, 2025.

Annual amounts for each Microsoft agreement and Unified Enterprise Support Services are listed below.

Microsoft EA Licensing Three-Year Term				
SHI Government Solutions DIR-CPO-5237				
	CFW Enterprise	Water IT	Library (Non-Profit)	Total
Year 1	\$ 2,750,000.00	\$ 100,000.00	\$ 65,000.00	\$ 2,915,000.00
Year 2	\$ 3,025,000.00	\$ 110,000.00	\$ 71,500.00	\$ 3,206,500.00
Year 3	\$ 3,327,500.00	\$ 121,000.00	\$ 78,650.00	\$ 3,527,150.00

Microsoft Unified Enterprise Support Services	
Microsoft DIR-CPO-4911	
Unified Enterprise Support April 1, 2024 through March 31, 2025	\$225,000.00

COOPERATIVE PURCHASE: State law provides that a local government purchasing an item under a cooperative purchase agreement satisfies State laws requiring that the local government seek competitive bids for purchase of the item. Cooperative contracts have been competitively bid to increase and simplify the purchasing power of local government entities across the State of Texas.

SUCCESSOR CONTRACTS: The City will initially use the DIR contracts to make purchases authorized by this M&C. In the event a DIR cooperative contract is not renewed, staff would cease purchasing at the end of the last purchase agreement coinciding with a 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.

In the event a DIR cooperative agreement is not extended, but DIR executes a new cooperative agreement with substantially similar terms, this M&C authorizes the City to purchase the goods and services under the new DIR contract. If this occurs, in no event will the City continue to purchase goods and services under the new agreement for more than four (4) years without seeking Council approval.

BUSINESS EQUITY: A goal is not assigned when purchasing from an approved purchasing cooperative or public entity.

ADMINISTRATIVE CHANGE ORDER: 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.

AGREEMENT TERM: Upon City Council's approval and execution of the cooperative purchase agreement with SHI and execution of the CSC 57566 contract amendment with Microsoft, the initial term of the agreements will become effective once executed by the Assistant City Manager and will expire in accordance with the respective DIR cooperative contracts with options to renew.

RENEWAL OPTIONS: The agreements may be renewed for up to four (4) one-year renewal terms, in accordance with the underlying cooperative agreement, at the City's option. 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 period.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are available in the current operating & capital budgets, as previously appropriated, in the Info Technology Systems Fund and the ARPA ITS Initiatives project within the Grants Cap Projects Federal Fund, to support the approval of the above recommendation and execution of the agreements. Prior to an expenditure being incurred, the Information Technology Solutions Department has the responsibility to validate the availability of funds.

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