



Commission Meeting

August 1, 2023

Approve Contract with Microsoft for the Microsoft Enterprise Agreement through Dell Inc.

Department:	Information Technology
Presenter:	Gary Hewett, Deputy CIO
Caption:	Motion to approve the contract with Microsoft for the Microsoft Enterprise Agreement and Microsoft licensing purchases through Dell, Inc.
Background:	<p>The Information Technology Department (IT) has used the Microsoft Enterprise Agreement (EA) since 2005. The Microsoft Enterprise Agreement provides the City with licensing rights to install Microsoft products on City equipment and enables the IT Department to proactively plan for upgrades at the enterprise level. Since 2005, the City has entered into individual three year Enterprise Agreements to provide software upgrades and support enterprise-wide instead of managing individual software licenses. The current proposed agreement is split into three (3) annual payments of \$813,130.46. There is an annual “true-up” cost each year for any additional desktop and server software needed during the year. Microsoft software is critical to the City as it is used on the majority of Augusta’s computers and servers to support daily operations. The EA covers the following items: Office365 and other Microsoft desktop product licenses, datacenter server licenses, Exchange (email) server licenses, Sharepoint server licenses, SQL server licenses, and phone and web support from Microsoft, along with other cost-saving added benefits to the City. The contract used for this agreement is Georgia statewide contract “Statewide Contracts for Software and Ancillary Services” number 99999-SPD-SPD0000060-0006 with Dell Inc., Microsoft’s authorized reseller.</p>
Analysis:	<p>Software is traditionally licensed per computing device and is not upgradeable or transferable. The Enterprise Agreement allows IT the flexibility to upgrade to the latest version of Microsoft software without having to purchase new individual licenses. It also allows the transfer of a license to a new employee or new computer if replaced or upgraded, which alleviates the need to track individual licensing. The EA provides a simple, cost-effective mechanism for IT staff to focus on maintaining and applying upgrades on City resources.</p>
Financial Impact:	<p>The cost of the agreement is divided between General Fund Departments and Enterprise/Special Revenue Fund Departments, based on the number of licenses allocated to each department. The total yearly cost for 2023-2025 is</p>

\$813,130.46, for a total three-year cost of \$2,439,391.38, plus any additional true-up costs.

Alternatives: N/A

Recommendation: Approve the contract with Microsoft for the Microsoft Enterprise Agreement and Microsoft licensing purchases through Dell, Inc.

Funds are available in the following accounts: Annual funds for the agreement are budgeted in the Information Technology operating budget (101015410-5223110 and 101015410-5238110) and Enterprise/Special Revenue Funds (as needed).

REVIEWED AND
APPROVED BY: N/A