



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JUNE 19, 2018**

FROM: INNOVATION AND TECHNOLOGY DEPARTMENT **WARDS: ALL**

SUBJECT: MICROSOFT ENTERPRISE SERVICES WORK ORDER FOR ANNUAL RENEWAL OF MICROSOFT SUPPORT SERVICES, FOR THE PERIOD OF JUNE 15, 2018 THROUGH JUNE 14, 2019, IN THE AMOUNT OF \$58,849.85

ISSUE:

Approval of the Microsoft Enterprise Services Work Order for the annual renewal of Microsoft support services, for the period of June 15, 2018 through June 14, 2019, pursuant to the Microsoft Master Services Agreement executed on June 14, 2006, in the amount of \$58,849.85.

RECOMMENDATIONS:

That the City Council:

1. Approve the Microsoft Enterprise Services Work Order for the annual renewal of Microsoft support services, for the period of June 15, 2018 through June 14, 2019, pursuant to the Microsoft Master Services Agreement executed on June 14, 2006, in the amount of \$58,849.85; and
2. Authorize the City Manager, or his designee, to execute all necessary documents, including making minor and non-substantive changes.

BACKGROUND:

Microsoft has historically provided support service to the City through both the Microsoft Enterprise Agreement and Premier Support Services Agreement. The City's Microsoft Enterprise Agreement was approved by the City Council on January 28, 2014. The agreement is primarily a volume licensing agreement but includes some support. The City's Microsoft Premier Support is pursuant to a Microsoft Master Services Agreement that was executed on June 14, 2006, and allows the City to purchase many types of support services through it. Each year the City must execute a Work Order that specifies the services to be purchased for the annual period.

Microsoft is now transitioning its support services from both of these offerings into a "Unified Support Services" offering. Microsoft will no longer be offering support for future Enterprise Agreements or Premier Support. Unified Support is provided for a defined number of engagements, not billable hours, as was provided with Premier Support. It also provides a more streamlined escalation process to resolve support issues and a more robust training platform for

Innovation and Technology Department staff to learn about features and functions of the products the City uses.

DISCUSSION:

The IT Department recommends that the City Council approve the Microsoft Enterprise Services Work Order for the annual renewal of the Microsoft Support Services, now referred to as Unified Support Services, for the period of June 15, 2018 through June 14, 2019, in the amount of \$58,849.85. The services chosen for the annual period will provide advanced support including service delivery management, proactive support, problem resolution support, advisory support, and educational services. Services can be provided by telephone, online, and via onsite visits.

The advanced support provided by this agreement is valued at \$111,449.85, however Microsoft has offset this cost with a credit of \$52,600 – the value of the support services being transferred from the City's Microsoft Enterprise Agreement to the new Unified Support Services agreement. Therefore, the net cost is \$58,849.85.

Overall the IT Department believes the Unified Support Services offered for the next annual period will provide more value than the prior Enterprise Agreement Support and Premier Support Services and will better address the City's support needs.

Purchasing Resolution 23256, Section 702, states that competitive procurement shall not be required when the procurement is for annual maintenance and support for current technology systems when the items are procured from the owner/developer of the software and the Manager is satisfied that the best price, terms, and conditions have been negotiated.

The Purchasing Manager concurs that the recommended action complies with Purchasing Resolution No. 23256.

FISCAL IMPACT:

The fiscal impact of this action is \$58,849.85. Sufficient funds have been included in the FY 2017/18 Innovation and Technology Department Budget, account number 2410000-424310 for Software Maintenance and Support.

Prepared by:	Lea Deesing, Chief Innovation Officer
Certified as to	
availability of funds:	Adam Raymond, Chief Financial Officer/City Treasurer
Approved by:	Marianna Marysheva, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachment: Microsoft Enterprise Services Work Order