



Recommendation for Action

File #: 20-3194, **Agenda Item #:** 40.

10/15/2020

Posting Language

Authorize an amendment to an existing cooperative contract with Software One, Inc. D/B/A SoftwareOne, for Microsoft Office 365 Enterprise services, for an increase in the amount of \$6,769,000, for a revised total contract amount not to exceed \$30,000,000.

(Note: This procurement was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this procurement, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

Lead Department

Purchasing Office.

Client Department(s)

Communications and Technology Management.

Fiscal Note

Funding in the amount of \$6,769,000 is available in the Fiscal Year 2020-2021 Operating Budget of Communications and Technology Management. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

Contract Amendment.

Prior Council Action:

August 23, 2018 - Council approved the original contract, item 31, on an 11-0 vote.

For More Information:

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov <<mailto:AgendaOffice@austintexas.gov>> or to Brett Hardy, at 512-322-6122 or Brett.Hardy@austintexas.gov <<mailto:Brett.Hardy@austintexas.gov>>.

Council Committee, Boards and Commission Action:

Additional Backup Information:

The proposed amendment will increase funding authorization on the contract and allow Communications and Technology Management to continue Office 365 and Azure cloud services under the City's existing Microsoft Enterprise License Agreement. Cloud services decrease the use of on-premise, capital-intense equipment, and speed startup time for new services.

The City currently subscribes to two of Microsoft’s cloud products. Office 365 is the Microsoft Office suite in the cloud. It is a set of ongoing subscription services that keep users up-to-date with the latest and most secure versions of Office applications and has been instrumental in enabling continuity of City productivity and services during the Covid-19 shelter-in-place order. Azure is Microsoft’s cloud computing platform and allows the City to begin building out infrastructure (servers, storage, and fully formed IT foundational services) in the cloud rather than in the City’s data centers. This facilitates a high degree of security, availability, and resiliency for City business operations.

Since initially adopting Microsoft cloud services in 2018, City departments have found more efficiencies and have expanded their use of the Microsoft cloud products, causing a shortfall in authorization for the remaining year of the contract. Increased use of cloud computing has been a major driver for this request. The annual amount of the contract is based on the number of City employees and contractors that have accessed the network mote and additional licenses to be added as needed.

Contract Detail:

<u>Contract Term</u>	<u>Length of Term</u>	<u>Current Contract Authorization</u>	<u>Requested Additional Authorization</u>	<u>Revised Total Authorization</u>
Initial Term	3 yrs.	\$23,231,000		\$23,231,000
Proposed Amendment			\$6,769,000	\$ 6,769,000
TOTALS	3 yrs.	\$23,231,000	\$6,769,000	\$30,000,000

Note: Contract Authorization amounts are based on the City’s estimated annual usage.

Strategic Outcome(s):

Government That Works for All.