



Recommendation for Action

File #: 23-3646, **Agenda Item #:** 20.

1/18/2024

Posting Language

Authorize an amendment to a contract for the continuation of the Microsoft Enterprise License Agreement with Software One, Inc. d/b/a Softwareone, to increase the amount by \$16,000,000 for a revised total contract amount not to exceed \$51,000,000.

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

Lead Department

Financial Services Department.

Client Department(s)

All City Departments.

Fiscal Note

Funding in the amount of \$16,000,000 is available in the Fiscal Year 2023-2024 Operating Budgets of various City Departments.

Purchasing Language:

Contract Amendment.

Prior Council Action:

September 2, 2021 - Council approved a cooperative contract with Software One, Inc., for a Microsoft Enterprise License agreement.

For More Information:

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at: FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500.

Additional Backup Information:

This amendment will continue the Microsoft Enterprise License Agreement (MSELA) to purchase various Microsoft Cloud and Azure products, licenses, and technical services for use by all City departments. Microsoft Cloud computing is an internet-based environment in which large groups of remote servers are networked to allow centralized data storage and online access to computer services and resources. Microsoft Cloud is a subscription service that keeps users up to date with the latest versions of the following products and services:

Microsoft 365

- Latest Office and Office Web Apps (Word, Excel, PowerPoint).
- Desktop, phone, tablet, and web versions.

SharePoint Online

- Online and offline file services.
- Sharing documents with external partners.
- E-Discovery for public information requests and subpoenas.

Microsoft Teams for Business

- Secure instant messaging and presence.
- Online meeting and desktop sharing.
- Person to person video conferencing.
- Seamless integration with Outlook address book.

Exchange Online

- 50GB mailbox, unified messaging.
- Unlimited archiving.
- Email encryption.
- E-Discovery for public information requests.
- Data loss prevention (protects confidential and sensitive information).
- Rights management for legal and compliance issues.

Microsoft 365 meets all compliance requirements including the Health Insurance Portability and Accountability Act and the Criminal Justice Information Systems security requirements for infrastructure and productivity. Both security and service continuity will be enhanced with this contract.

The annual amount of the contract is based on number of City employees, contractors, and partners that have accessed the network and the existing software licenses. Additional funding is required through this amendment for the final year of the contract to cover the annual renewal, new products, and additional licenses to be added as required, with the additional costs to be billed upon an annual “true up” at the end of the contract year.

The City’s MSELA is based on a cooperative contract through the State of Texas Department of Information Resources, which is a cooperative purchasing association recognized under Texas procurement statutes. Cooperative associations, themselves or using a lead government, competitively solicit and award contracts that are eligible for use by other qualified state and local governments. Due to their substantial volumes, larger than any one government could achieve independently, cooperative contracts routinely include superior terms, conditions, and pricing. Use of cooperative contracts also results in lower administrative costs and time savings.

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.	\$35,000,000		\$35,000,000
Proposed Amendment			\$16,000,000	\$16,000,000
TOTAL	3 yrs.	\$35,000,000	\$16,000,000	\$51,000,000

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