

NO: **R179**

COUNCIL DATE: **July 23, 2012**

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **July 19, 2012**

FROM: **General Manager, Finance & Technology**

FILE: **1355-01**

SUBJECT: **Software Licensing and Maintenance Agreements - Microsoft**

RECOMMENDATION

The Finance and Technology Department recommends that Council approve, under the BC Government Broader Public Sector Agreement, the renewal of licensing and maintenance Agreements with Microsoft Corporation for a 3-year term commencing on July 1st 2012 for the provision of software licensing and maintenance for the City's computers and related servers with the Agreements in combination having an upset cost limit of \$2,500,000 plus HST over the 3-year term all as generally described in this report.

BACKGROUND

Under the BC Government Broader Public Sector Agreement, effective July 1st, 2008 the City entered into a four-year contract with Microsoft Corporation for the supply and maintenance of new operating system software for all of the City's workstations. That contract expired on June 30th, 2012.

The Province of BC has an agreement with Microsoft Corporation for the supply and maintenance of operating system software with a framework that can be extended to other public sector organizations including local governments. The use of the provincial contract results in lower costs for the operating system software and brings alignment of systems across agencies that assists with information transfer and expedites workflow.

DISCUSSION

The City has approximately 1,730 computers and other processors that are covered under the general Microsoft Enterprise Agreement. This contract includes the provision and maintenance of each of Office Pro Plus (Outlook, Word, Excel, PowerPoint, Publisher, Lync, and OneNote), Windows Operating System, Windows Server Operating System, Exchange, SQL Server Database Management System, Client Access Licenses for connectivity to email and file shares, Visio and Project.

The City has another 500 computers and other processors that are located at the City's libraries and museum facilities that qualify for a more favourable pricing structure due to the nature of their usage. The devices in these locations are covered under a separate agreement, known as the Academic Select Plus Agreement. Under this Agreement Microsoft will license and maintain a more limited range of software commensurate with the demands that are placed on these computers.

Funding

Each of the above-referenced agreements is based on an annual rate per computer/processor with a moderate adjustment in the rates included for each of the second and third years. The Agreements also allow for an increase in the number of computers being served under each contract. In combination, the recommended Agreements are expected to cost a total of \$750,000 in 2012 and a total of no more than \$2,500,000 over the 3-year term. Funding in support of the subject Agreements is available in the approved 2012 annual operating budget and in the approved Five-Year (2012 – 2016) Financial Plan.

SUSTAINABILITY CONSIDERATIONS

The recommendations of this report will assist in achieving the objectives of the City's Sustainability Charter; more particularly action item EC1: "Corporate Economic Sustainability" that focuses on ensuring the City's resources are used efficiently and responsibly.

CONCLUSION

Based on the above discussion, it is recommended that Council approve, under the BC Government Broader Public Sector Agreement, the renewal of licensing and maintenance Agreements with Microsoft Corporation for a 3-year term commencing on July 1st 2012 for the provision of software maintenance and licensing for the City's computers and related servers with the Agreements in combination having an upset cost limit of \$2,500,000 plus HST over the 3-year term all as generally described in this report.

Vivienne Wilke
General Manager,
Finance & Technology