COUNCIL ACTION FORM

SUBJECT: **MICROSOFT SOFTWARE LICENSING AND SUPPORT RENEWAL**

BACKGROUND:

Insight Public Sector (Insight) is the City's software vendor for all Microsoft enterprise software. The City Council authorized a three-year contract with Insight on November 22, 2022, for fixed license costs for Microsoft products for a three-year period. In the first year of the agreement, the City contracted for Microsoft end-user office products, primarily Office 365. The total contract cost based on the license count and contracted pricing was $158,577.46.

In FY 2023/24, staff migrated other server-related services to the agreement for the purpose of consolidating all Microsoft services into a single renewal, which simplified billing and secured the best price available for future agreements. Also in FY 2023/24, Microsoft Multi-Factor Software was added to this agreement. The FY 2023/24 authorized payment with these additional services was $215,351.80.

Approval is now being requested for these services for the period between January 2025 and January 2026. This year's renewal retains the fixed pricing of the three-year contract and contains updated license counts for the various software titles in this agreement for a total price of $216,028.28 through January 2026.

The FY 2024/25 adopted budget includes $214,754 for Microsoft enterprise software, including Office 365, which is the City's enterprise e-mail, productivity, and collaboration system and provides cloud storage. The IT operating budget contains sufficient funding to cover the shortfall of $1,274.28.

ALTERNATIVES:

1. Award a contract for software licensing and support for Microsoft Office 365 to Insight Public Sector, Dallas, TX, in the amount not to exceed $216,028.28.

2. Do not authorize continuing software licensing and support with Insight Public Sector.

CITY MANAGER'S RECOMMENDED ACTION:

Insight Public Sector is the City's provider of the licensing and support for Microsoft enterprise software. This software is used by both end users and servers daily throughout the entire City organization for communication and the delivery of services. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.