



Agenda Item Report

Legislative Board: City Council
Date: March 3, 2026
Contact: Cameron Determeyer
Agenda Item ID / Number: 2026-235- / H.2

ITEM TITLE: Authorization for the City Manager to execute a three-year agreement with SHI International Corporation for Microsoft Office 365 for \$130,842.36 utilizing DIR Contract #DIR-CPO-5237 (IT Manager Cameron Determeyer)

1. EXECUTIVE SUMMARY

Every three years, the City of Buda executes a renewal enterprise agreement for Microsoft O365 licensing. The purchase is made through a third-party broker of services, SHI, which provides a discounted rate through the Texas Department of Information Resources (DIR) contract #DIR-CPO-5237. The current license expires on March 31, 2026. Renewing the subscription agreement allows the City to maintain business continuity throughout the organization without a lapse in service. The suite of software includes G1 and G3 licenses, including Microsoft for the web, Sharepoint, OneDrive, Teams, Exchange Online, Exchange Online Protection, and Microsoft 365 Apps for G3 licenses (e.g. Outlook on a desktop) and additional, required Microsoft support products, including CCAL Bridge and Power Automate.

2. BACKGROUND/HISTORY

The Texas DIR goes through a competitive procurement process using the Request for Offer (RFO) method of procurement to procure Automated Information System (AIS) and Information Technology (IT) products and services.

3. ANALYSIS

Executing a multi-year enterprise licensing agreement, the City is able to lock in pricing for the full 3-year period. As the City onboards new employees, which requires additional licenses, the cost per license remains the same. We currently have 63 G1 licenses at \$128.52/license and 131 G3 licenses at \$269.88. G1 licenses are typically issued to employees who predominately work in the field, such as Parks and Public Works. G1 licenses include access to the online versions of the Microsoft Office Suite, including Powerpoint, Excel, Word, Outlook(50GB), Onedrive (1TB), Teams, Sharepoint, and Forms. G3 licenses are the desktop versions, which include Powerpoint, Excel, Word, Outlook(100GB), Onedrive (5TB), Teams, Sharepoint, Forms, OneNote, Publisher, enhanced security features, and ability to install on Apple devices.

4. FINANCIAL IMPACT

For a 3-year agreement, the cost is \$43,614.12 per year for a cumulative total of \$130,842.36. The licenses are budgeted in the IT Internal Service Fund (ISF). FY2026 is budgeted at \$41,910. While staff budgeted for a small increase, the quote came back slightly over budget by \$1,704. IT currently has savings from other software items that came in at a lower cost than budgeted, which will cover the additional \$1,704.

5. STRATEGIC PLAN/GOALS

EXCEPTIONAL CITY SERVICES

6. STRATEGIC PLAN OBJECTIVES

Deliver City services consistent with our City of Buda mission and core values.

7. PROS AND CONS

Pros:

Maintain our office product licenses and business continuity

8. ALTERNATIVES

N/A

9. REQUESTED ACTION / SUGGESTED MOTION / RECOMMENDATION

Authorize the City Manager to execute a three-year agreement with SHI International Corporation for Microsoft Office 365 for \$130,842.36.

Attachments:

[Microsoft O365 3-Year Quote](#)