



Request for City Council Committee Action

Date May 25, 2004
To Ways and Means Committee
Prepared by Nancy Larkey Phone 673-5494
Submitted by Karl Kaiser _____
Approved for Submittal John Moir _____

Subject: Request authorization to enroll in the Microsoft/State of Minnesota contract for software and software assurance of desktop software in the estimated amount of \$3,150,000 for six years to provide City-customers/users the current Microsoft desktop products and buy software products as needed. Proper City Officials to execute the Microsoft Enterprise Enrollment and any related ancillary documents on behalf of the City.

This is not a request for additional funding.

Presenters in Committee Karl Kaiser or Mark Paulsen

Recommendation

Approve enrolling in the State of Minnesota's Microsoft contract in order to purchase Microsoft desktop products and support for an estimated annual amount of \$525,000 and total amount of \$3,150,000 for six years and authority for Proper City Officials to executes the enrollment and related documents.

Operating budget appropriations will be used. No additional funding is required.

Financial Impact (Check those that apply)

- No financial impact (If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator



Request for City Council Committee Action

Microsoft - continued

Background/Supporting Information

Three years ago the City of Minneapolis began a three-year purchase program to buy 3,100 Microsoft Office licenses, 350 Project licenses and 212 Visio licenses. This program terminates December 31, 2004. The City is afforded the opportunity to participate in the State of Minnesota's agreement with the Microsoft Corporation if we enroll on or before June 30, 2004. Microsoft will refund unused portion of the current agreement that will be usable toward the new costs.

The State's pricing is less than alternative governmental pricing and less than renewal pricing of our existing contract. The enrollment affords three-year fixed pricing of Microsoft desktop products and support with the opportunity to renew such enrollment for another three years at the same fixed pricing.

The City uses Microsoft Office Suite, Project, and Visio. Additional software will be purchased based on customer demands. Support and upgrade of the existing Microsoft products is needed for the 2500+ users.

Microsoft Office are the basic tools used throughout the City and include Word (word processing software), Excel (spreadsheet software), Access (database software), Power Point (presentation software), and Publisher (graphics and publishing software). Project is software to assist with time scheduling and task coordination. Visio is a presentation tool enabling diagramming and flowcharting.

The City will also purchase "BackOffice Client Access Licenses (CAL)" to bring the City into compliance with a change Microsoft initiated. CALs are licenses for software placed on each desktop enabling server functions. Our prior agreement provided the BackOffice CALs free of charge. Microsoft now requires the purchase of that software. CALs cost an estimated \$22 per desktop.

As a result of this agreement, the City does receive some special services of value to the City. All City employees are entitled to purchase software identified on the Microsoft web site at a 30% discount. Employees using a desktop may purchase Microsoft Office at \$19.99 for home use (retail \$300). Employees having a desktop with Visio (retail \$200) and/or Project (\$600) may purchase these products at \$19.99 for home use. eLearning software is supplied by Microsoft that teaches how to use standard Microsoft Office products. Tech-Net and related technology learning and system help are provided free of charge. Technical Microsoft training up to 45 days over the life of the agreement is provided.

Proper City Officials to be authorized, on behalf of the City, to execute the enrollment (as an affiliate of the State of Minnesota) and related documents. Further BIS requests the authority to proceed with the purchase of software, software assurance, and BackOffice CALs.