

City of Wheaton
303 W. Wesley Street
Wheaton, IL 60187-0727
630-260-2000

City of Wheaton, Illinois

www.wheaton.il.us

TO: Mike Dzugan City Manager
FROM: Joan M. Schouten, MBA CPIM CPPB Procurement Officer
DATE: May 24, 2016
RE: Recommendation to Award

Microsoft On-Premise Licensing Renewal

Solicitation Process: piggy-back State of Illinois Master Contract
Recommended Professional Service Provider: CDW-G

The adopted FY 2017 City budget includes a total of \$21,817.24 for Microsoft On-Premise Licensing fees:

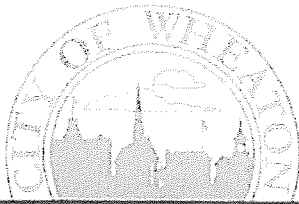
- \$12,166.00 in the General Fund
- \$ 9,651.24 in the Technology Replacement Fund

Available Budget: \$21,817.24
Request for Purchase: \$17,183.71(year 1 of 3 year agreement)
Remaining Budget: \$ 4,633.53

Background: The city's decision to purchase the above software licenses is based on the following:

- Software used by the city must be licensed.
- This three year renewal for Software Assurance provides version upgrades and enterprise management features.
- The upgrade to Microsoft Windows 10 necessitated additional licensing upgrades to facilitate the use of Windows Professional. This licensing is included within this service.
- Microsoft pricing and terms are through a State of Illinois Master contract.
- The cost of years two and three of the enterprise agreement is \$21,415.93 and \$21,950.52, respectively.

Attachments: Director of Information Technology's memo of May 19, 2016




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To: Mike Dzugan, City Manager

From: Chad Michaelis, Director of Information Technology 

Date: May 19, 2016

Re: Microsoft On-Premise Licensing Renewal

It is time to renew our Microsoft Software Assurance agreement for on-premise systems. Software Assurance provides us with version upgrades and enterprise management features. The software currently under the Software Assurance program includes:

- 4 x Windows Data Center (server operating system)
- 2 x SQL Server Standard Core (databases and custom reports)
- 2 x SQL Server Standard (required for systems management)
- 7 x SQL Client Access (required for systems management)
- 50 x Remote Desktop/Application Services (allows Firehouse and Timepro to work across wide area networks)
- 7 x Visual Studio (development tools and test licenses)
- 83 x Windows Professional (desktop operating system)

This year we must add 171 Windows Professional upgrades to the renewal. When Microsoft introduced Windows 10, they modified the Windows licensing terms to make it impossible to run Windows Professional in an enterprise without Software Assurance. Previously we relied on obtaining the latest Microsoft desktop operating system with each new, or replacement, desktop computer. Now we must obtain enterprise licenses and keep them under Software Assurance.

Microsoft pricing and terms are set by a contract with the State of Illinois. We cannot get better pricing on our own.

The cost for this year's Software Assurance renewal will be \$7,532.47. We budgeted \$12,166.00 (13000015-68001 Information Technology – Software Licenses/Maintenance).

This year's cost for the additional 171 Windows Professional upgrades will be \$9,651.24. This was included in the Technology Replacement Fund budget for desktop replacements (64103000-70035).

Microsoft will combine these items onto a 3 year Enterprise Agreement with a cost of \$17,183.71 for the first year, \$21,415.93 for the second year, and \$21,950.52 for the third year. The total for all 3 years is \$60,550.16.

I am seeking approval to execute this renewal / upgrade.