

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2017 May 17

FROM: CHIEF INFORMATION OFFICER

SUBJECT: MICROSOFT SOFTWARE LICENSING AGREEMENT

PURPOSE: To obtain the Committee and Council approval to renew a three (3) year contract with Microsoft Inc. for desktop, server and database software licences.

RECOMMENDATION:

1. **THAT** the Committee recommend Council approve the award of a three (3) year contract to Microsoft Inc. for a total cost of \$2,149,378.96 including GST and PST in the amount of \$230,290.60 as outlined in this report.

REPORT**1.0 BACKGROUND**

The City has deployed a wide base of Microsoft products for a range of business and technical functions including desktop operating and productivity software (e.g., Microsoft Office 2010), communications software, server operating systems and database management software. The City of Burnaby's three year licensing agreement with Microsoft for currently installed software ended 2017 April 30. The City now needs to renew its existing licensing agreement for the period 2017 – 2020, and to extend support and maintenance to cover growth in the previous three years: including net new desktop computers, servers, and infrastructure for new business applications, such as Tyler EnerGov.

To obtain the best contract price for its Microsoft licensing agreement, the City participates in a bulk purchase agreement that Microsoft has made available to the City at their deepest discount rate ('Level D pricing'). This pricing is similar to previous Corporate Supply Arrangements (CSA) pricing that Microsoft has negotiated with the province.

Since the Level D pricing was made available, City staff has worked with its software reseller and other municipal and provincial government entities to leverage opportunities from this agreement as they relate to the City's infrastructure.

Subject to completion of standard City procurement processes, this report will be brought forward to Council on June 12, 2017 for approval.

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From: Chief Information Officer
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The Chief Information Officer has reviewed the agreement and worked with Finance staff to develop a contract framework based on the pricing level negotiated and the growth in the City's IT infrastructure base since 2014.

2.0 RECOMMENDATIONS

Staff recommends that Council approve the award of a three (3) year contract for the period 2017 May 01 – 2020 April 30 to Microsoft Inc. for a total cost of \$2,149,378.96 including GST and PST in the amount of \$230,290.60 as outlined in this report. Funding for this licensing agreement is accommodated within the IT Operating Budget of the 2017-2021 Financial Plan.



Shari Wallace,
Chief Information Officer.

Copied to: City Manager
Deputy City Manager
Director Finance