

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2020 March 03

FROM: DIRECTOR FINANCE

FILE: 5820-20

**SUBJECT: CONTRACT EXTENSION
MICROSOFT SOFTWARE LICENSING AGREEMENT**

PURPOSE: To request approval for a three year contract extension with Microsoft Corporation for desktop, server and database software licences.

RECOMMENDATION:

1. **THAT** the Financial Management Committee recommend Council approve a three year contract extension with Microsoft Corporation in the amount of \$2,547,066.30 including GST in the amount of \$114,913.67 as outlined in this report.

REPORT

The City has deployed Microsoft products for a range of enterprise and end user productivity software such as Windows operating system, structured query language (SQL) database, Windows server and Microsoft Office suite. The current three-year licensing agreement with Microsoft ends on 2020 April 30. The new enterprise agreement with Microsoft extends support and maintenance for installed software until 2023 April 30.

The contract cost is based on public sector pricing obtained through a negotiated agreement between Microsoft and the province of BC, as well as a detailed count of required licensing across a wide spectrum of Microsoft products and an annual reconciliation process to ensure compliance, continuity of service and to account for service growth.

This recommendation is for a three year contract extension amounting to \$2,574,066.30 including GST in the amount of \$114,913.67. The cost increase is a result of growth in the number of workstations and servers deployed across the City to support end users and new business applications over three years.

To: Financial Management Committee
From: Director Finance
Re: Contract Extension
Microsoft Software Licensing Agreement

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Contract History	Term	Amount
Original Contract	2017 May – 2020 Apr	\$ 2,149,378.96
Contract Extension	2020 May – 2023 Apr	\$ 2,574,066.30

The Chief Information Officer has reviewed the agreement and concurs with the recommendation based on the pricing level negotiated and the growth in the City's Information Technology infrastructure since 2017.

It is recommended that the Financial Management Committee recommend Council approve a three year contract extension with Microsoft Corporation effective 2020 May 01 to 2023 April 30, in the amount of \$2,574,066.30 including GST in the amount of \$114,913.67. Funding for this requirement is included in the 2020 – 2024 Provisional Financial Plan under the Information Technology department operating budget.



Noreen Kassam, CPA, CGA
DIRECTOR FINANCE

NK:GC:SD / ew:md

Copied to: City Manager
Chief Information Officer