

**COMMISSION FILE NO:** 17-061-6 **DATE INTRODUCED:** June 12, 2017

**INTRODUCED BY:** Executive Director (Signature on File in the Office of the Commission)

**REFERRED BY COMMISSION CHAIRPERSON TO:** Policy, Finance, and Personnel Committee

**RELATING TO:** Authorizing the Executive Director to Execute Enterprise Agreement with Microsoft Corporation

**SUMMARY:**

The Commission is requested to authorize the Executive Director to execute a contract with Microsoft Corporation to provide software, networking, storage and compute services to the District for a three-year period in an amount not to exceed ~~\$678,323~~ \$680,850.

**ATTACHMENTS:** BACKGROUND ☒ KEY ISSUES ☐ RESOLUTION ☒  
FISCAL NOTE ☒ S/W/MBE ☐ OTHER ☐ \_\_\_\_\_

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05-23-17

**COMMITTEE ACTION:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**COMMISSION ACTION:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

## BACKGROUND

### Authorizing the Executive Director to Execute Enterprise Agreement with Microsoft Corporation

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The District runs a significant portion of its operations utilizing Microsoft software, including operating systems, databases, Exchange (email), SharePoint, and Office software. The District has transitioned primarily to a subscription model, whereby the District pays for software, networking, and some compute capacity on a user basis and in the case of compute capacity on a use basis. Microsoft software is provided both on premise and in the cloud, and the Office 365 subscription model includes significant cloud storage.

The current three-year Microsoft Enterprise Agreement expires June 30, 2017. The current three-year agreement for Microsoft licenses, maintenance, and subscriptions was \$136,036. There were some additional licenses or software subscriptions purchased in this timeframe to support expanded needs.

The proposed three-year Enterprise Agreement with Microsoft is for ~~\$226,108~~\$226,950 per year. The District has had some level of an enterprise agreement with Microsoft for six years and has utilized Microsoft products since the early years of Microsoft.

As the world shifts with technology, so is the District with the expanding capabilities of Microsoft on premise, mobile, and in the cloud. This three-year agreement for ~~\$678,323~~\$680,580 is more than the previous agreement, \$408,108; however, the District is utilizing more Microsoft products than three years ago and receives substantially more value for the dollars expended as outlined below.

1. There is significant value realized under current Microsoft agreement, and will continue/extend with proposed agreement:
  - a. The District receives significant government volume discounts versus consumer subscriptions.
  - b. Fewer software licenses under user subscription model versus device license model.
  - c. Ability to use Microsoft Office and other licensed software on a user's desktop, laptop, or other mobile device, including smart phone.
  - d. Ability to reassign subscriptions when needed.
  - e. Office 365:
    - i. Allow for anywhere, anytime access to a large volume of District documents.
    - ii. Collaborate on a single source version of a document.
    - iii. Microsoft continues to add additional functions at no additional subscription charge.
    - iv. Unlimited file storage with the agreement.
    - v. Use of tools to share documents outside the District, eliminating other specialized software.

## **BACKGROUND (Cont'd)**

### **Authorizing the Executive Director to Execute Enterprise Agreement with Microsoft Corporation**

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- f. Moved and consolidated approximately 20 million email records (one terabyte) from District local storage to Microsoft cloud storage.
    - i. Consolidated 10 years of email records in one place with a better Microsoft tool for records/legal search.
    - ii. Free up District on site storage, thereby extending the life of a \$500,000 storage array network (SAN).
    - iii. Unlimited email storage.
  - g. Mobile device management without direct physical access needed.
  - h. Resiliency of MMSD's email environment – in a District physical disaster, email is available from any device from the cloud.
  - i. Security:
    - i. Additional security being built into many of the Microsoft tools and services.
    - ii. MMSD has subscribed to additional tools that proactively capture and alert of malware and ransomware issues.
    - iii. Primary elements of the District's Microsoft services are in the highly secured Microsoft government only cloud.
    - iv. Files being transferred and in storage are encrypted.
    - v. Better capability to secure mobile devices.
  - j. 99.9% financially-backed uptime guarantee.
2. Extended value in progress as the District changes from old to new processes utilizing the Microsoft software, storage, compute capability, and networking:
- a. Microsoft Skype for Business: In the process of utilizing more bundled Skype screen communication and on line meeting software:
    - i. Utilizing less of other specialized and costlier online meeting software.
    - ii. Utilizing Microsoft dial in phone lines and removing other costlier contracted dial in phone lines.
    - iii. Ability to have online meetings with 250 participants as opposed to 25 participants with current costlier meeting subscription service.
  - b. Microsoft OneDrive for Business: Resiliency of file storage – in a District physical disaster, many of the District's files are available from any device from the cloud.
    - i. Remote access to many District files in the cloud precludes the need for costly remote desktop access subscription services.
    - ii. In the process of moving multiple terabytes of data to the Microsoft cloud, thereby extending the life of District's on site SAN.
  - c. Microsoft SharePoint Online and Exchange (email) Online
    - i. Cloud version of SharePoint and Exchange reduces hardware needs in District datacenter.
    - ii. Can access from any device, from the cloud.

## **BACKGROUND (Cont'd)**

### **Authorizing the Executive Director to Execute Enterprise Agreement with Microsoft Corporation**

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3. Future extended value anticipated as staff further explores the capabilities of the bundled software and services under this agreement:
  - a. Use of Microsoft Skype to broadcast to an online audience of 10 to 10,000
  - b. Flexibility for the District – pay as we go model provides predictability and flexibility.
4. Future cost effective add-ons that will be explored utilizing the Microsoft cloud platform and services:
  - a. Use of Microsoft cloud based phone private branch exchange (PBX) at the time the District's on site PBX is needed to be replaced.
  - b. Ability to extend the District's computer room to the cloud and pay for compute capability on an as needed basis – example some servers for 10 hours per day, five days per week, or for the next two hours, for testing purposes.
  - c. Advanced Microsoft security tools.
  - d. Other, as they become available.

## RESOLUTION

Authorizing the Executive Director to Execute Enterprise Agreement with Microsoft Corporation

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**RESOLVED**, by the Milwaukee Metropolitan Sewerage Commission, that the Executive Director is authorized to execute a contract to provide software, networking, storage, and compute services with Microsoft Corporation for a three-year period, commencing July 1, 2017, in an amount not to exceed ~~\$678,323~~ \$680,850.