

Municipality Of Chatham-Kent
Finance, Budget and Information Technology Services
Information Technology Services

To: Mayor and Members of Council
From: Matthew Payne, Manager of Technology Services
Date: February 12, 2017
Subject: RTC 18-02 Renewal of the Microsoft Licensing Agreement

Recommendations

It is recommended that:

1. The Microsoft Enterprise and Academic Licensing Agreements with CDW Canada Inc. be renewed by the Municipality of Chatham-Kent for a total of \$1,383,589.50 payable over three years, and all new Microsoft software agreements be awarded to CDW Canada, until March 31, 2021.
2. The Municipality of Chatham-Kent leverage the pricing secured by the Region of Peel under Peel's competitive tender 2016-596T.
3. The Director of ITS be authorized to negotiate and execute the final renewal contracts with Microsoft and CDW Canada Inc., subject to the terms and conditions acceptable to the Purchasing Officer and Chief Legal Officer.

Background

On March 26, 2012, the tender award for T12-146 Renewal of Microsoft Software Licensing Agreements was presented to Council via RTC 200 (http://portal.chatham-kent.ca/Council/CouncilMeetings/2012/Documents/March/March26_12a.pdf). The tender was awarded to CDW Canada Inc. for the three year term, 2012-2015.

In September, 2013, the Regional Municipality of Niagara secured pricing with CDW Canada Inc. that is open to participation for any upper or lower tier government entities, agencies, boards or commissions. This is through co-operative sharing of resources with municipalities and government agencies.

On April 27, 2015, administration presented Council with the Renewal of Microsoft Licensing RTC for 2015-2018 with the recommendation to leverage the pricing secured by the Regional Municipality of Niagara (<http://portal.chatham-kent.ca/Council/CouncilMeetings/2015/Documents/April/Apr-27-13a.pdf>). The renewal was again awarded to CDW as the single source provider until March 31, 2018.

In September, 2016, the Region of Peel through tender 2016-596T, secured pricing with CDW Canada Inc. that is open to participation to other government service agencies. The tender was intended that these other agencies shall be entitled at their option, to enter into a contract with the successful Vendor, based on the pricing and terms established in the tender, the Vendor's submission and the resulting contract with the Region of Peel: the Ontario Police Co-operative Purchasing Group and other related agencies. Administration is recommending we leverage the pricing secured by the Region of Peel.

Comments

The current Microsoft licensing agreements, as well as any new agreements, are established within the Province of Ontario's enterprise agreement framework, master set of terms and conditions.

Microsoft has confirmed that continuing to establish agreements under the Provincial enterprise framework will result in licensing cost savings overall. Microsoft has also confirmed that it is common practice to establish one licensing re-seller for all enterprise agreements. This ensures comprehensive licensing knowledge is kept to one source, creating economies of scale.

This will ensure a continued cost-effective approach for software licensing into the future.

As of February 1, 2018, the following municipalities have signed their Microsoft renewal agreement with CDW using the above mentioned RFP.

- Region of Waterloo
- City of Kitchener
- City of Waterloo
- Waterloo Police
- Region of Peel
- City of Brampton

Areas of Strategic Focus and Critical Success Factors

The recommendations in this report support the following areas of strategic focus:

- Economic Prosperity:
Chatham-Kent is an innovative and thriving community with a diversified economy
- A Healthy and Safe Community:
Chatham-Kent is a healthy and safe community with sustainable population growth
- People and Culture:

Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community

- Environmental Sustainability:
Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendations in this report support the following critical success factors:

- Financial Sustainability:
The Corporation of the Municipality of Chatham-Kent is financially sustainable
- Open, Transparent and Effective Governance:
The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership
- Has the potential to support all areas of strategic focus & critical success factors
- Neutral issues (does not support negatively or positively)

Consultation

The Manager, Legal Services and Purchasing Officer were consulted on this report and have reviewed the terms of the membership contracts.

Financial Implications

There are no financial implications resulting from the recommendations. All Microsoft licensing costs are covered under the current operational budget within Information Technology Services or covered within operational budgets for project-specific technology requirements.

Prepared by:

Reviewed by:

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Reviewed by:

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Chief Financial Officer, Treasurer

Consulted and confirmed the content of the consultation section of the report by:

Dave Taylor
Manager, Legal Services

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Purchasing Officer

Attachments: none

C: Purchasing Officer, Financial Services
Legal Officer, Legislative Services

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