

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: July 31, 2024

To: Supervisor Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors

From: Jacqueline Bobo, Director and Chief Information Officer, Information Management Services Division, Department of Administrative Services

Subject: From the Director and Chief Information Officer, Information Management Services Division, Department of Administrative Services requesting authorization to execute a three-year Enterprise Agreement for total fees of \$4,935,164 with Microsoft Corporation

File Type: Action

REQUEST

The Director and Chief Information Officer of Information Management Services Division, Department of Administrative Services (DAS-IMSD) respectfully requests authorization to execute a three-year Enterprise Agreement for total fees of \$4,935,164 with Microsoft Corporation (Microsoft), through its Large Account Reseller (LAR), Crayon Software Experts, LLC (Crayon). This agreement will establish a new Enterprise Agreement to renew the previous agreement that expired on July 1, 2024, and has been carried forward by Microsoft as DAS-IMSD and Microsoft finalized contractual terms.

POLICY

Milwaukee County budgets for Microsoft software licenses in DAS-IMSD's budget.

Wisconsin State Statutes:	59.60(12)
Specific Adopted Budget:	2024 Adopted Budget

BACKGROUND

Microsoft is a global leader in core business software, including Microsoft 365, SharePoint, Windows Server, Active Directory, Azure Premium, and more. Milwaukee County has used Microsoft products since the early 1990s for business operations. Microsoft operates an indirect sales model to sell its products to enterprise and government customers only through authorized LARs. Crayon is one such Microsoft LAR. Microsoft licenses Milwaukee County to use Microsoft's software and services through a three-year Enterprise Agreement, which Microsoft signs directly with its customer. Crayon, as the LAR, holds the Enterprise Agreement, which the DAS-Procurement Director approved in 2018.

Overall, this new Enterprise Agreement combines the Milwaukee Mitchell International Airport (MMIA) Enterprise Agreement with the Milwaukee County agreement. Prior to this agreement, DAS-IMSD and MMIA operated separate agreements, and combining of these agreements is the key step in a joint MMIA / DAS-IMSD project to combine our Microsoft environments into a single environment. The Microsoft Enterprise Agreement provides Milwaukee County with licensing in the following areas:

- User Productivity Applications
 - Email (Outlook – Desktop and Web Access)
 - Microsoft 365 Applications, including Word, Excel, PowerPoint, and OneNote
 - Microsoft Teams – Team collaboration application offering chat and video conferencing, file storage, and integration.
 - Microsoft OneDrive – Microsoft-hosted cloud file storage
- User and Server Licensing
 - End User Desktop / Laptop / Tablet Operating System Licenses
 - Server Operating System Licenses
 - Databases Licenses
- Multiple Security, System Management, and User Authentication Capabilities

ALIGNMENT TO STRATEGIC PLAN

Microsoft is a significant partner of Milwaukee County and its technical operations. All Milwaukee County employees utilize Microsoft tools to perform daily work and ultimately to support the constituents and support Milwaukee County racial equity initiatives and other County strategies.

- 2B - Break down silos across County government to maximize access to and quality of services offered.
- 3B - Enhance the County's fiscal health and sustainability.

FISCAL EFFECT

Milwaukee County budgets for Microsoft software each year to support the technical operations of Milwaukee County. DAS-IMSD’s annual budget contains line items related to the Microsoft Enterprise Agreement. As indicated above, the 2024 through 2027 Microsoft Enterprise Agreement combines the DAS-IMSD agreement with the MMIA agreement.

Under the previous agreement, DAS-IMSD was able to negotiate with Microsoft a cost cap of 5% on multiple license types, which avoided a 12% cost increase Microsoft requested. However, Microsoft is no longer accepting such cost cap language in agreements going forward. DAS-IMSD also used our agreement with Info-Tech for IT industry research, benchmarking, and consulting to review this agreement. Info-Tech’s review confirmed the renewal pricing is market competitive.

The following table has the annual and total three-year cost breakdowns.

Budget Responsible	Year 1	Year 2	Year 3	Total
DAS-IMSD	\$1,431,165.64	\$1,431,165.64	\$1,431,165.64	\$4,293,496.92
MMIA	213,888.96	213,888.96	213,888.96	641,666.88
Total	\$1,645,054.60	\$1,645,054.60	\$1,645,054.60	\$4,935,163.80

TERMS

The term of the proposed Enterprise Agreement is from July 1, 2024, to June 30, 2027.

VIRTUAL MEETING INVITES

- Jacqueline Bobo – Director and Chief Information Office, DAS-IMSD
- Matt Johnson – Director of Governance, DAS-IMSD
- Tahir Hassan – Chief Technology Officer, DAS-IMSD
- Dan Mathews – IT Manager Data Center – DAS-IMSD
- James Martin – MMIA Executive Director – Finance and Administration

PREPARED BY:

Matt Johnson – Director of Governance, DAS-IMSD

Jacqueline Bobo

Jacqueline Bobo

Director and Chief Information Officer

DAS – Information Management Services Division

APPROVED BY:

Aaron Hertzberg

Aaron Hertzberg

Director of Administrative Services

Department of Administrative Services

ATTACHMENTS:

- Attachment 1 – Fiscal Note
- Attachment 2 – Board Resolution
- Attachment 3 – Microsoft Enterprise Agreement

CC: David Crowley, County Executive
Willie Johnson, Jr., Chairperson, Committee on Finance
Steve F. Taylor, Vice-Chairperson, Committee on Finance
Mary Jo Meyers, Chief of Staff, County Executive's Office
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Janelle M. Jensen, Legislative Services Division, Office of the County Clerk
Aaron Herzberg, Director of Administrative Services
Scott F. Brown, Corporation Counsel
Liz Sumner, Comptroller
Joseph Lamers, Director, Office of Performance, Strategy & Budget
Lindsey Peterson, Operating Budget Manager, Office of Performance, Strategy & Budget
Elena LaMendola, Financial Manager, Central Business Office
Steve Cady, Director of Research & Policy, Office of the Comptroller
Shanin Brown, Committee Coordinator, Office of the County Clerk