

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: September 17, 2021

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

From: Lynn J. Fyhrlund, Director and Chief Information Officer, Information Management Services Division, Department of Administrative Services

Subject: The Director and Chief Information Officer, Information Management Services Division, Department of Administrative Services (DAS-IMSD) requesting authorization to execute a three-year Enterprise Agreement for total fees not exceeding \$1,244,795.79 with Microsoft Corporation

File Type: Action Report

REQUEST

The Director and Chief Information Officer, Information Management Services Division, Department of Administrative Services (DAS-IMSD) respectfully requests authorization to execute a three-year Enterprise Agreement for total fees not exceeding \$1,244,795.79 with Microsoft Corporation (Microsoft), through its Large Account Reseller (LAR), Crayon Software Experts, LLC (Crayon), that will replace the previous Enterprise Agreement entered with Microsoft through Crayon on 7/1/2018.

POLICY

Microsoft software titles are historically budgeted for in DAS-IMSD's budget and will continue to be to support business operations for Milwaukee County.

Wisconsin State Statutes:	59.60(12)
Specific Adopted Budget:	2021

BACKGROUND

Microsoft is a global leader in core business software, including but not limited to Microsoft Office 365, SharePoint, Windows Server, Active Directory, Azure Premium, and more. Milwaukee County (County) has been using these Microsoft products since the early 1990s for its business operations. Microsoft has an indirect sales model under which it sells its products to enterprise and government customers only through its authorized LAR. Crayon is one such Microsoft LAR. The licenses for all such Microsoft software are granted through a three-year Enterprise Agreement, which is signed directly between Microsoft and the customer.

DAS-IMSD hired a consulting firm, Directions on Microsoft, to help negotiate the Enterprise Agreement license fees with Crayon and Microsoft. In February of 2021, in anticipation of the upcoming expiry of the existing Enterprise Agreement, DAS-IMSD worked with Directions on

Microsoft, formerly known as Software Licensing Advisors, which was a DAS-Procurement approved vendor via Director Patrick Lee. The Enterprise Agreement is held by Crayon as the LAR, which was also a previously approved vendor via DAS-Procurement Director Patrick Lee.

As a result of these negotiations, DAS-IMSD was able to incorporate several concessions for our new Enterprise Agreement, including a not to exceed clause on future purchases of software titles and complimentary Microsoft Teams local phone numbers for a savings of \$161,804.97 per year. The 5% not to exceed means that for the duration of the 3-year agreement, Milwaukee County will not pay any more than a 5% increase over 2021 dollars for any software title, no matter what the total increase is from Microsoft. However, these negotiations took longer time than anticipated, due to which the Enterprise Agreement could not be timely negotiated with Microsoft prior to the previous contract's end. DAS-IMSD requested Microsoft and Crayon to allow County to use its products until this new Enterprise Agreement is approved by the County Board of Supervisors in the November 1st, 2021 board meeting. Microsoft and Crayon granted this request, and the previous Enterprise Agreement was extended to November 30th, 2021.

Overall, this new Enterprise Agreement provides County with an excellent pricing model, the benefits of software assurance (upgrades and updates), and the ability to seamlessly license both on-premise software and cloud services under one contract. County is licensing the following software products under this contract:

- Email (OWA or Outlook)
- Office 365 Applications, including Word, Excel, PowerPoint, and Access
- Skype
- OneNote
- Teams
- OneDrive for Business
- System Center Configuration Manager (SCCM)
- Advanced Threat Protection (ATP)
- Security features native to Office 365
- eDiscovery
- PowerShell
- Advanced End User Protection (encryption)
- Anti-virus
- Server Operating System software
- Desktop / Laptop / Tablet Operating System Software
- Azure Active Directory and On-Premise Active Directory
- Active Directory Federation Services (ADFS)
- Microsoft Domain Name Server (DNS)
- Dynamic Host Configuration Protocol (DHCP)
- Core Infrastructure

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.

FISCAL EFFECT

Microsoft software is used and budgeted for every year to support the technical operations of Milwaukee County. DAS-IMSD has a line item in its budget every year to cover the costs of Microsoft software.

TERMS

The term of the proposed Enterprise Agreement will begin July 1st, 2021 and terminate on June 30th, 2024.

VIRTUAL MEETING INVITES

Lynn Fyhrlund and Tod Huber

PREPARED BY:

Matt Johnson, IT Director Governance and Business Solutions

Lynn J. Fyhrlund

Lynn J. Fyhrlund

Director and Chief Information Officer

Information Management Services Division, Department of Administrative Services

APPROVED BY:

Aaron Hertzberg

Aaron Hertzberg

Director of Administrative Services

Department of Administrative Services

ATTACHMENTS:

Attachment 1 is the Fiscal Note

Attachment 2 is the Board Resolution

Attachment 3 is the contract with Microsoft

CC: David Crowley, County Executive
Supv. Jason Haas, Chairperson, Finance Committee
Supv. Willie Johnson Jr., Vice-Chairperson, Finance Committee
Mary Jo Meyers, Chief of Staff
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
Margaret Daun, Corporation Counsel
Scott B. Manske, Comptroller
Joseph Lamers, Director of Performance, Strategy & Budget
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