



SCHOOL BOARD ACTION REPORT

DATE: September 9, 2019
FROM: Denise Juneau, Superintendent
LEAD STAFF: JoLynn Berge, Chief Financial Officer, 206-252-0087
Nancy Petersen, Director, Technology Infrastructure, 206-252-0480

For Introduction: October 16, 2019
For Action: November 6, 2019

1. TITLE

Renewal of Microsoft Software Agreement

2. PURPOSE

This action approves a three-year contract for the Microsoft software license agreement with software reseller ~~_____~~, [Dell Computer Corp.](#), in the amount of \$952,091.77, paid annually for a total amount of \$2,856,275.31 with a Not-To-Exceed (NTE) clause of \$3,570,344.14 to cover increases during the three-year period.

3. RECOMMENDED MOTION

I move that the Board of Directors authorize the Superintendent to execute a three-year contract with ~~_____~~ [Dell Computer Corp.](#) to provide Microsoft Enrollment for Education Solutions (EES) from January 1, 2020 to December 31, 2023, in the amount annually of \$952,091.77, plus Washington State Sales Tax, with a not-to-exceed amount of \$3,570,344.14, in the form of the Purchase Order dated ~~_____~~ [October 15, 2019](#) and attached to the School Board Action Report, with any minor additions, deletions, and modifications deemed necessary by the Superintendent, and to take any necessary actions to implement the contract.

4. BACKGROUND INFORMATION

- a. **Background** - Seattle Public Schools (SPS) has been renewing the Microsoft EES agreement each year with Board approval for over 15 years.

The agreement:

- Ensures that all Seattle Public Schools' staff and students have access to the most current desktop software applications (Word, Excel, PowerPoint, etc.), operating systems, and access licenses from Microsoft and have maintenance and support for the products. This agreement covers approximately 10,000 staff/instructors and 53,000 students.
- Provides Systems Operations with enterprise software for managing servers and devices along with enterprise software such as SQL Server, Exchange, Azure and Office 365.

- Enables testing and development of new tools for productivity and instructional needs.
- Enables the district to take advantage of Microsoft educational initiatives such as DreamSpark, Imagine Academy, Minecraft for Education, Unified Communications, etc.
- Enables staff and students to install Microsoft Office on up to five personal devices.
- Enables staff to be more efficient with their time to collaborate better with Teams and SharePoint tools.
- Enables disaster recovery and business continuity capabilities with the cloud service Microsoft Azure.
- Ensures the management of all district personal computers through System Center for compliance and faster imaging and deployment of software.
- Ensures all email accounts are protected from spam, phishing attacks, and unknown malware through Advanced Threat Protection (ATP) coverage.
- Ensures future devices used by students have the most up-to-date Windows operating system along with access to the full suite of applications.

The following statistics detail the usage of Microsoft tools by SPS users over the last six months:

- 20,000+ active staff and students with Office 365 downloaded on personal desktops or mobile devices
- 45,500 computers in the district are licensed to run the current version of windows
- 13,211 users with email
- 20,151 active e-mail mailboxes
- 24,958 active users on SharePoint
- 33,147 active users on OneDrive
- 1,932 active users on Microsoft Teams
- 800+ servers running windows operating systems (700 are virtualized servers)

b. **Alternatives** – Given our current infrastructure and investments, there are no credible alternatives to the renewal of this software license. If we do not renew this licensing agreement the following would happen:

- Our software, including both desktop and critical enterprise applications, will not be properly licensed or supported.
- There would be no security upgrades of Microsoft applications and operating systems for students and staff.
- There would be no new application development using the Microsoft stack of development tools, and no enhancements to existing software.

c. **Research** – Not applicable

5. **FISCAL IMPACT/REVENUE SOURCE**

Fiscal impact to this action will be \$952,091.77 plus Washington State Sales Tax paid annually for three years for a total of \$2,856,275.31 not-to-exceed \$3,570,344.14 during the three-year term. During the last contract we saw an increase in costs in year two (23% over year one) and again in year three (6% over year two) due to changes in Microsoft's licensing pricing structure

as well as adding cloud protection services (Email ATP, Cloud threat protection) for students and staff. We don't anticipate significant growth in our licensing costs year over year with the new contract now that we've identified a licensing level that accommodates the current software and security needs of our students and staff.

The following is a comparison of costs for the previous year with the new 3-year agreement estimated & projected year over year:

MS Cost Comparison	Previous 3 year period, covering June, 2016 through December 2019	New 3 year contract covering Jan. 2020 through Dec 2023*
MS Software & Cloud Services	\$1,158,227.16	\$2,856,275.31
Phishing Protection**	\$376,800	
Antivirus	\$231,000	
Total	\$1,766,027.16	\$2,856,275.31

* Three year contract is currently estimated at \$2,856,275.31, with a not to exceed amount of \$3,570,344.14 to provide room for an increase in students, staff, or product changes.

**Final year only. Product was not available previously.

The not to exceed amount is in place knowing we are likely to see enrollment growth, new requests for Microsoft education software and services, along with more schools adding devices that will require more licenses over the three-year period. The not to exceed amount is a 25% increase based on what was added during the last contract for unforeseen changes in licensing. Additionally, the 25% increase does factor in and account for the estimated increase in new devices scheduled to be introduced over the next three years that have already been approved by the board.

The revenue source for this motion is general fund account 08097721C0.

Expenditure: One-time Annual Multi-Year N/A

Revenue: One-time Annual Multi-Year N/A

6. COMMUNITY ENGAGEMENT

With guidance from the district's Community Engagement tool, this action was determined to merit the following tier of community engagement:

Not applicable

Tier 1: Inform

Tier 2: Consult/Involve

Tier 3: Collaborate

Staff has sent communication about Microsoft tools via the School Leaders Communicator and News Brief along with informational flyers posted in schools during rollout. These communication channels will continue to be utilized to disseminate updates and useful information.

7. EQUITY ANALYSIS

The district will continue to license Microsoft Office (Word, Excel, and PowerPoint desktop applications) and Office 365 for all staff and students on Windows and Apple operating systems including the latest version of Office for use on personal computers and devices. All students can make their own choice to use the online tools on their personal devices. All schools are able to run the latest Windows operating system on district computers.

All Windows tools have Language Packs to address languages needed by English Language Learner students.

8. STUDENT BENEFIT

Renewal ensures uniform Microsoft software and services to all students that provides for continual upgrades to the most current versions of software for school and home use for students, as well as providing Advanced Threat Protections both at home and at school.

9. WHY BOARD ACTION IS NECESSARY

- Amount of contract initial value or contract amendment exceeds \$250,000 (Policy No. 6220)
- Amount of grant exceeds \$250,000 in a single fiscal year (Policy No. 6114)
- Adopting, amending, or repealing a Board policy
- Formally accepting the completion of a public works project and closing out the contract
- Legal requirement for the School Board to take action on this matter
- Board Policy No. _____, [TITLE], provides the Board shall approve this item
- Other: _____

10. POLICY IMPLICATION

Per Policy No. 6220, Procurement, any contract over \$250,000 must be brought before the Board for approval.

Per Board Policy No. 2022, Electronic Resources/Use of the Internet, *The Board also believes that students need to be proficient users of information, media, and technology to succeed in a*

digital world. Therefore, the district will use electronic resources as a powerful and compelling means for students to learn core subjects and applied skills in relevant and rigorous ways. This proposed motion is in direct alignment to Board Policy No. 2022 through providing students access to digital tools necessary for success and allowing them to leverage them in support of personal and professional development.

11. BOARD COMMITTEE RECOMMENDATION

This motion was discussed at the Audit and Finance Committee meeting on October 7, 2019. The Committee reviewed the motion and moved the item forward for consideration by the full Board.

12. TIMELINE FOR IMPLEMENTATION

Upon approval of this motion, the Microsoft Enrollment for Education Solutions agreement will be extended for three years, payable annually, to ~~_____~~ [Dell Computer Corp.](#) before the deadline of January 1, 2020.

13. ATTACHMENTS

- Draft Purchase Order No. ~~_____~~ [7600027765](#) (For Approval)



Renewal of Microsoft Software Agreement

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For questions and more information about this document, please contact the following:

Joseph Valenti
Administrative Assistant, Technology Services
jmvalenti@seattleschools.org

- Draft Purchase Order No. 7600027765



Seattle School District No. 1

Purchasing Services
 Mail Stop 23-376
 PO Box 34165
 Seattle, WA 98124-1165

Purchase Order	
P.O. Number	7600027765
P.O. Date	10/15/2019
Ship Via	Surface, Prepay & Add
Deliver By	11/01/2019
Contact	Craig Murphy
Ph: 206 252-0570	Fax: 206-252-0505
Email: cemurphy@seattleschools.org	

Vendor
DELL COMPUTER CORP 2214 W BREAKER LN AUSTIN, TX 78758 Fax: 866-501-8291 Tel: 1-888-977-3355-7 mpa_northwest_orders@dell.com

Deliver Items To:
Stanford Center Department:DoTs/PETERSEN/MARDOCK Mail Stop: Cubicle/Room No: 2445 3rd Ave S. Seattle WA 98124-1165 P.O. Number: 7600027765

Send Invoice To:
Seattle School District No 1. Accounts Payable Mail Stop 33-343 PO Box 34165 Seattle, WA 98124-1165 Email:accountspayable@seattleschools.org

Item	Material/Description	Quantity	UM	Unit Price	Total
	Terms: Net 30 days, Currency USD By accepting this purchase order/contract, the above named firm certified that they are not currently debarred from participating on any federal, state or similarly funded transaction.				
00010	MICROSOFT EES "YEAR 1" THIS IS A DRAFT PO TO VERIFY FUNDS ENCUMBRANCE IN SAP . FINAL PO WILL DETAIL ANIVERSARY DATES OF SERVICE . FINAL PO WILL DETAIL ANY POSSIBLE FUTURE YEARS EXTENSIONS . FINAL PO WILL ONLY BE ISSUED FOLLOWING REQUIRED BOARD AND EXECUTIVE APPROVAL	1	EA	879,855.01	879,855.01
	Total net value excl. tax:				879,855.01
	Wash.St.Sales Tax:				88,865.36
	Freight:				0.00
	Total:				968,720.37

Purchase order number must appear on all invoices, shipping labels, packing lists and correspondence.

This purchase order is subject to Seattle School District No. 1 standard terms and conditions. These can be referenced by clicking on the "Terms and Conditions" link at www.seattleschools.org/procurement

AUTHORIZED SIGNATURE

(Buyer)