

Report ITR-CS-10-15

To: Chair Bob Pringle and Members of Corporate Services Committee
From: Tim Scott, Technology & Infrastructure Manager
Geoff Hogan, Information Technology (IT) Director
Meeting Date: August 11, 2015
Subject: **Software Funding**
Status: Recommendation adopted by Committee as presented per Resolution CS89-15; Endorsed by County Council September 1, 2015 per Resolution CC126-15;

Recommendation(s)

WHEREAS the County has a software reserve with a projected 2015 year-end balance of \$351,785.73;

AND WHEREAS Microsoft has recently changed its software licensing programs and announced an overall 13% price increase;

AND WHEREAS the County will save \$30,000 over three years if software is purchased prior to price increase;

NOW THEREFORE BE IT RESOLVED THAT Report ITR-CS-10-15 be received;

AND THAT \$86,510.06 plus the non-recoverable portion of HST be transferred from the Information Services Planned Software Purchase Reserve to fund the purchase of Microsoft software;

AND FURTHER THAT the transfer occur immediately, staff are hereby authorized to proceed with the purchase of the software in advance of Council's approval of this recommendation under the authority of the Procedural By-law section 24.13 b.

Background

Report [FR-CS-29-13 Corporate Services Financial Update and Year-End Projection as of May 31, 2013](#) explained the decision to not renew the Microsoft Enterprise (licensing) Agreement (EA) in 2013. The three year EA provides the County with an agreement to maintain its Software Assurance (SA) or its ability to upgrade products and access support in order that the County can move forward with the latest versions of software. In 2013 it was decided not to renew the EA as the IT Department could not keep up with the frequent software releases and the price was exorbitant.

Early in 2015 Microsoft announced changes to their licensing programs including price increases. With the recent program changes it is now financially advantageous to resign an EA with Microsoft. Staff was not advised of the price increase changes until very recently so the department had to move very quickly to secure an agreement prior to the August price increase.

Financial / Staffing / Legal / Information Technology (IT) Considerations

The Grey County network depends heavily on Microsoft technologies for most of its operations. After analyzing the new licensing program and related price increases it was decided in consultation with the Finance Director and CAO to sign the agreement with Microsoft prior to the August deadline. Signing now will save ~\$30,000 over the 3 year life of the agreement.

The EA is a three year agreement. Since 2013 the IT budget has had a \$70,000 / year transfer to reserve to build up funds to update our server software. Year one funding will come from the software reserve as recommended in the motion, the contribution to reserve in the 2015 budget will be replaced with a payment for the EA so there will be no significant impact on the levy for years two and three of the agreement.

Link to Strategic Goals / Priorities

4.4 Embrace and continually invest in technology in order to enhance the operations of all county services as well as the County's overall state of future preparedness.

Attachments

None

Director Signoff: *Geoff Hogan, Director of Information Technology*