



Supply of Microsoft Software

Date: June 12, 2018

To: TTC Board

From: Chief Financial Officer

Summary

The purpose of this report is to obtain authorization to add funds to a contract for the supply of Microsoft software. The software is required to address the Information Technology Services projects including, but not limited to: MS Office Professional 2016, Exchange Server 2016, and Active Directory 2016 upgrades, and End User Devices – Enterprise Platform.

Recommendations

It is recommended that:

1. The Board authorize the issuance of a contract amendment to PU283574 with Softchoice LP, for the supply of Microsoft software, to increase the original award amount of \$4,998,617.90 by \$7,901,382.10 resulting in a revised upset limit amount of \$12,900,000.00, inclusive of HST.

Financial Summary

Sufficient funds, in the amount of \$7,405,000 (net of HST rebate), have been included in the 2018-2027 Capital Budget under 7.10 Service and Program Management that was approved by City Council on February 12, 2018.

Sufficient funds, in the amount of \$275,000 (net of HST rebate) have also been included in the 2018 TTC Operating Budget that was approved by City Council on February 12, 2018. Funds will be included in future operating budgets as required.

Equity/Accessibility Matters

This recommendation has no accessibility or equality issues.

Decision History

Based on a competitive bid process, the Ontario Ministry of Government and Consumer Services entered into a Microsoft reseller agreement (Contract No. OSS_00519307) with Softchoice LP for the Supply of Microsoft Software from October 1, 2016 to September 30, 2020. The province's Microsoft reseller agreement with Softchoice LP offers the highest level discount from Microsoft and allows broader public sector entities to issue purchase orders under the same terms, conditions and discounted rates. Under the province's agreement, Microsoft software products can be ordered on an as required basis with no minimum ordering requirements.

Since the TTC qualifies under the province's contract, TTC issued a contract to Softchoice LP, for the Supply of Microsoft Software in the total upset limit of \$4,998,617.90 for the period January 17, 2017 to September 30, 2020. The City of Toronto also utilizes the province's agreement and issued a contract to SoftChoice LP for the supply of Microsoft software under the same Microsoft reseller agreement.

Issue Background

Funds spent to date on software licenses were required for various planned and budgeted state of good repair projects such as: Wheel Trans Transformation Program, Automatic Passenger Count (APC) Project, and Customer Service Agent's project.

As part of the ongoing modernization and alignment of software tools, staff has developed an enterprise architecture technology road map and life cycle across all hardware, software, application platforms to ensure a consistent use of technology, the availability of appropriate business tools and consistent reliability of the technical environment. A result of continued modernization and strategic requirement planning, staff forecast additional funds of approximately \$7,900,000 are required to carry the contract to its expiry date of September 30, 2020. Specifically, additional licensing is required for the following:

- Office Professional 2016, Exchange 2016, Active Directory 2016 and SharePoint upgrades (\$2,195,000);
- End User Devices on-going software upgrades (\$719,400);
- SharePoint upgrade (\$1,034,000);
- Ongoing software renewals for development, operation, storage and upgrades for SQL Server environments and Windows Server projects (\$1,738,000);
- ESX Server Replacement (\$1,345,000); and
- New Hardware – Standard Client & Server Software and SQL Server (\$870,000)

All of the above are included in the planned and budgeted state of good repair projects during the period of June 2018 to September 30, 2020.

Comments

The TTC is leveraging the overall aggregated spend of the Ontario Ministry of Government and Consumer Services and its related broader public sector entities to maximize the available discounts for the purchase of Microsoft licensing requirements.

Contact

Dan Guna, Head of Information Technology Services
416-393-3922
Dan.Guna@ttc.ca

Signature

Dan Wright
Chief Financial Officer

Attachments

Attachment 1 – Summary of Microsoft Products Estimate

Attachment 1 – Summary of Microsoft Products Estimate

Supply of Microsoft Software

Description	Value
Office Professional, Exchange and Active Directory 2016 Upgrades	\$2,195,000
End User Devices Software Upgrades	\$719,400
SharePoint Upgrade	\$1,034,000
Software Assurance and Environment Upgrades	\$1,738,000
ESX Server Replacement	\$1,345,000
New Hardware – Standard Client & Server Software and SQL Server	\$870,000
Total:	\$7,901,400