

City of Palmer
Action Memorandum No. 15-071

Subject: Amending the Tekmate IT Contract for the Purchases of Computer Software Microsoft Office 365

Agenda of: August 25, 2015

Council Action: Amended _____

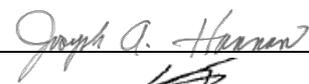
Originator Information:

Originator: Gina Davis, Controller, IT Steering Committee Chair
Date: 8/04/2015 **Requested agenda date:** 08/25/2015

Department Information:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
x	Finance		8/5/15
_____	Public Safety	_____	_____
_____	Public Works	_____	_____

Approved for presentation by:

	Signature:	Remarks:
City Manager		_____
City Attorney		_____
City Clerk		_____

Certification of Funds:

Total amount of funds listed in this legislation: \$ 25,662.50

This legislation (√):

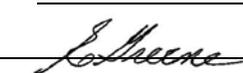
Has no fiscal impact Creates a positive impact in the amount of: \$ _____
 Negative impact in the amount of: \$ 25,662.50

Funds are (√):

Budgeted Line item(s): 01-01-10-6095
 Not budgeted Affected line item(s): _____

General fund assigned balance (after requested budget modification): \$ _____

Enterprise unrestricted net position (after requested budget modification): \$ _____

Director of Finance Signature: 

Attachments:

- Tekmate Quote

Summary statement: Currently the City of Palmer is running Office 2007 software and desperately needs to update to the latest version. Microsoft Office is currently on version 2013 and 2016 will be available at year end. Microsoft Office is moving towards the cloud version of Office Suite known as Office 365, and intends to put more effort into this product line than standalone products.

Office 365 is a bundled package that includes the office suite (Word, Excel, Powerpoint); in addition it also includes exchange email, lync's messaging (remote control, meetings), Sharepoint (web site, document control), Cloud Storage (skydrive), and all of the licensing, at one set price per user. Office 365 requires no servers for installation, only the end device (PC, MAC), (IPhone, android), (Ipad, android, kindle)), which includes outlook client, instead of the phone exchange client which cannot be done with standalone products.

The City currently uses Standalone products which means we purchase everything separately; office, exchange, exchange user licenses, server for exchange. The up keep cost of what we have would easily cost as much as 365 and does not include sharepoint, lync, Exchange Server (Cloud Storage), and SharePoint Server (which will make life easier in regards to final legislative documents). Also Office 365 can be loaded on to five additional devices including cell phones, laptops and tablets of each user which will be beneficial to users out in the field (fire chief, building inspector, code compliance, police, public works, etc.). Also with Office 365 the latest patches and updates will occur automatically so each user will always be on the latest version which will help with compatibility issues. Office 365 will be an annual expense that will need to be budgeted by each department. The cost for each office suite user is \$212 annually and each exchange user \$75 annually. The total cost to the City this year is \$20,273 plus \$5,391 for all the installations. Included in this price are a few 2013 Office standalone versions that will be shared among several users and a couple upgraded versions. The total cost for Office 365 in future years would be around \$17,000 however budgeted within individual departments.

Current Standalone:	Cost	Life Cycle	Standalone Annual Cost	Office 365 Annual Cost
Office Suite (52 Desktop Users)	\$ 20,800	4 Years	\$ 5,200	\$ 11,009.96
Add'l Devices of Users	\$ 16,000	4 Years	\$ 4,000	Included
Hardware for Exchange	\$ 12,000	4 Years	\$ 3,000	Included
Software for Exchange	\$ 8,000	4 Years	\$ 2,000	Included
Exchange Licenses	\$ 1,500	4 Years	\$ 375	Included
Hardware - Sharepoint*	\$ 12,000	4 Years	\$ 3,000	Included
Software - Sharepoint*	\$ 8,000	4 Years	\$ 2,000	Included
Sharepoint Licenses*	\$ 2,600	4 Years	\$ 650	Included
Lync Messaging*	\$ 1,560	4 Years	\$ 390	Included
Email Only with Cloud Office	n/a	n/a	n/a	\$ 5,081.64
Total Annual Cost			\$20,615.00	\$16,091.60

*Currently the City does not have these Office features.

Administration recommendation: Authorize action memorandum 15-071.

TekMate, LLC.

Phone: 907-561-6283
 Fax: 907-375-1188
 600 Telephone Ave. MS 70
 Anchorage, AK 99503

**Quote**

No.: **14938**
 Date: 04/06/2015

Prepared for:
 Gina Davis 355-3593
 City of Palmer
 231 W Evergreen Ave
 Palmer, AK 99645 USA

Prepared by: Bruce A. Witt
 Account No.: 823
 Phone: (907) 745-3271
 Fax: (907) 745-0930
 Job: Project

Qty.	Description	UOM	Sell	Total
52	OLP GOVT SUB OFFICE 365 PLAN E3 OPEN SHRD SVR VL NL ANNUAL QLFD	ea	\$211.73	\$11,009.96
68	OLP GOVT SUB OFFICE 365 PLAN E1 OPEN SHRD SVR VL NL ANNUAL QLFD	ea	\$74.73	\$5,081.64
10	OLP GOVT OFFICE STD 2013 NL	ea	\$300.17	\$3,001.70
2	OLP GOVT VISIO PRO 2013 NL	ea	\$388.50	\$777.00
2	OLP GOVT VISIO STD 2013 NL	ea	\$201.10	\$402.20
1	Labor Assembly	HR	\$5,390.00	\$5,390.00

Each assembly includes

Qty.	Description	UOM		Total
40.00	System Administrator - Tier 2	HR	\$125.00	\$5,000.00
6.00	Travel Labor	HR	\$65.00	\$390.00

Your Price: \$25,662.50

Total: \$25,662.50

Prices are firm until 4/13/2015

Terms: Net 30

Quoted by: Bruce A. Witt, bruce.witt@tekmate.net

Date: 4/6/2015

Scope of Work:

Migrate entire City of Palmer site to Office 365.

Please see attached for break up of departments.

Net 30 with City PO

We appreciate the opportunity to service your technology needs.

Accepted by: _____

Date: _____

Print Name: _____

Disclaimer

Any order greater than \$2000.00 must be prepaid

Quote

No.: **14938**

Date: 04/06/2015

TEKMATE requires 70% of the hardware and software cost shown above to be paid prior to the equipment order unless approved by the TEKIMATE President or Vice President. This quote does not include shipping or insurance which will be billed at cost. Professional Services outside of normal work hours will be billed/consumed at time and a half.

If Trade-In discounts are offered, Client is required to have all equipment they are trading in returned to the manufacturer at Client's expense. If quantities or items are changed, the pricing may change. This quote represents hardware and software estimates only and is subject to technical review. All hardware and software returns by Client, for any reason, may be subject to a 25% restocking fee and will return products on a best effort basis. Many hardware and software products may not be returned for any reason due to manufacturer return policies. Most products after being opened are no longer returnable to the manufacturer. Defective products are returned according to each manufacturer's warranty policies.

All labor hours are estimates. Actual hours will be billed unless specified above to be FIXED PRICE or NOT TO EXCEED.

Prices are subject to change if signed quote is received after "prices are firm until" listed date above.

INTEREST WILL BE CHARGED AT THE MAXIMUM RATE ALLOWABLE PER MONTH ON ALL ACCOUNTS OVER 30 DAYS.