AUTHORIZATION TO ENTER INTO COOPERATIVE PURCHASING ARRANGEMENT
WITH THE STATE OF ILLINOIS TO UTILIZE AND ENROLL UNDER ITS
MICROSOFT ENTERPRISE AGREEMENT FOR THE SUPPLY, DELIVERY, MAINTENANCE
AND UPGRADE OF MICROSOFT SOFTWARE AND SUPPORT SERVICES

To the Honorable Board of Commissioners:

RECOMMENDATION
It is recommended that the Board of Commissioners authorizes the Chief Executive Officer or her designee to enter into cooperative purchasing arrangements with the State of Illinois, acting by and through the Illinois Central Management Services department, (hereinafter referred to as the "State") to utilize and enroll under the Microsoft Enterprise Agreement between the State and Microsoft (the "Microsoft Enterprise Agreement") for the provision of software maintenance, support and upgrade services for Microsoft software in an amount not to exceed $2,400,000 for the requested three (3) year term of the cooperative purchasing arrangement.

The requested action complies in all material respective with all applicable federal, state and local laws, and Chicago Housing Authority board policies. Staff have completed all necessary due diligence to support the submission of this initiative.

FUNDING
Information Technology Services

BACKGROUND
The Chicago Housing Authority ("CHA") extensively utilizes Microsoft software in its daily operations. The CHA’s computers interchange information via software operating systems, electronic mail and word processing programs. Microsoft productivity applications (Word, Excel, PowerPoint, Outlook), MS Office 365 and Windows Professional are some of the standard licensed software programs used by the CHA staff to perform their duties in an efficient manner. Through the requested cooperative purchasing arrangement, the CHA gains rights and benefits available under the Microsoft Enterprise Agreement, such as the most favored government discount level, cost consideration for application licenses not included in the standard portfolio and annualized software assurance, which is a form of maintenance and support for licensed software. Based upon the CHA’s current schedule of licensed Microsoft software products and historical usage trends, the CHA anticipates annual expenditures of $800,000 for software maintenance, upgrade and support services under the Microsoft Enterprise Agreement, resulting in a total of $2,400,000 in not-to-exceed funding requirements for the requested three (3) year enrollment term.
Microsoft generally does not sell its products or services directly to state and local Governments ("SLG"). When a SLG entity enters into a Microsoft Volume Licensing Agreement, such as the State’s Enterprise Agreement, that SLG entity must choose a Large Account Reseller ("LAR") to fulfill the procurement of Microsoft software and licenses. There are approximately 15 LARs throughout North America that are authorized to distribute Microsoft software products. For purposes of the Microsoft Enterprise Agreement, a LAR is defined by Microsoft as a reseller or distributor who Microsoft authorizes to offer licenses to end-users under the Enterprise Agreement. The State selected Microsoft-Certified LAR will serve as the designated reseller to the CHA for its Enterprise enrollments.

The State's Microsoft Enterprise Agreement is a renewable multi-year contract. The discount level for Microsoft software under the State’s Microsoft Enterprise Agreement is Level D, and is the highest discount level that is offered by Microsoft (through its resellers) to SLGs and is approximately 25% below standard retail pricing. Although the CHA could enter into its own Microsoft Enterprise Agreement, due to the much smaller volume of software products and licenses required the CHA could not achieve the same advantageous discount level that has been obtained by the State through its volume license procurement.

Based upon the foregoing, it is in the best interest of the CHA to enter into cooperative purchasing arrangements with the State of Illinois, so that the CHA can enroll as an affiliate under the State's Microsoft Enterprise Agreement for a term of up to 36 months for a total amount not-to-exceed $2,400,000.

The Chief Executive Officer recommends the approval to enter into cooperative purchasing arrangements with the State of Illinois, so that the CHA can enroll as an affiliate under the State's Microsoft Enterprise Agreement for a term of up to 36 months for a total amount not-to-exceed $2,400,000.

Respectfully submitted:

________________________________
Bryan K. Land
Chief Information Officer
Information Technology Services

________________________________
James L. Bebley
Chief Operating Officer
RESOLUTION NO. 2020-CHA -

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated May 19, 2020 entitled “Authorization to Enter into Cooperative Purchasing Agreement with the State of Illinois to Utilize and Enroll under its Microsoft Enterprise Agreement for the Supply, Delivery, Maintenance and Upgrade of Microsoft Software and Support Services”.

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or her designee to enter into cooperative purchasing arrangement with the State of Illinois to utilize and enroll under its Microsoft Enterprise Agreement for the supply, delivery, maintenance and upgrade of Microsoft software and support services for a term of up to 36 months for an amount not-to-exceed $2,400,000.

This award is subject to the Contractor’s compliance with the applicable CHA MBE/WBE/DBE/Section 3 hiring and insurance requirements.

__________________________________
Angela Hurlock
Chairperson
Chicago Housing Authority