MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES

Agenda Item Summary Sheet

Committee: Finance and Facilities Committee **Date of Meeting:** November 14, 2012

Agenda Item: Microsoft Campus Agreement Contract Approval

☐	Proposed Policy Change	☒	Approvals Required by Policy	☐	Other Approvals	☐	Monitoring

☐ Information

Cite policy requirement, or explain why item is on the Board agenda:
Board Policy 5.14, Procurement and Contracts, requires pre-approval by the Board of Trustees for contracts valued greater than $3 million dollars.

Scheduled Presenter(s): Laura King, Vice Chancellor, Chief Financial Officer
Darrel Huish, Vice Chancellor, Chief Information Officer

Outline of Key Points/Policy Issues:
The system office and all Minnesota State Colleges and Universities institutions have completed the sourcing of licenses for the Microsoft Campus Agreement and seek approval of the systemwide licensing through June 30, 2015. Total consideration for the contract is expected to exceed $3 million, and not to exceed $6.4 million dollars, which requires approval by the Board of Trustees pursuant to *Board Policy 5.14.*

Background Information:
On March 21, 2012, the Board of Trustees approved the systemwide Microsoft Campus Agreement, now called Microsoft Enrollment for Education Solutions, for the period of July 1, 2012 through June 30, 2015 with a competitive sourcing process, not to exceed $4.5 million. After the system office and all MnSCU institutions completed their licensing choices, the resulting ongoing costs exceed the estimated total expenditure for the three year period of the agreement due to expanded campus product selection.

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD ACTION
MICROSOFT CAMPUS AGREEMENT CONTRACT APPROVAL

REQUEST:

The system office seeks approval for the remaining two years of the systemwide licensing of Microsoft products through June 30, 2015. Total consideration for the three year contract is expected to exceed $3 million, and not to exceed $6.4 million dollars, which requires approval by the Board of Trustees pursuant to *Board Policy 5.14.*

BACKGROUND:

The Microsoft Campus Agreement, now called Microsoft Enrollment for Education Solutions (EES), allows all 31 Minnesota State Colleges and Universities (MnSCU) access to the latest versions of this important suite of software for students, faculty, and staff. Under the Microsoft EES agreement, MnSCU leverages its economies of scale and purchasing power which would not otherwise be possible by individual colleges or universities. The licensing contract offers educational discounts, electronic distribution of software, and simplified software asset management. A significant benefit of systemwide participation is assuring licensing compliance for both the latest software as well as legacy software versions. The entire Microsoft catalog of software products is included in the agreement from operating systems, to desktop productivity tools and server licenses. In addition to the institutional benefits of this agreement students, faculty, and staff have access to discount software products from Microsoft's Home Use Program and free academic software through Microsoft DreamSpark.

MICROSOFT ENROLLMENT FOR EDUCATION SOLUTIONS:

On March 21, 2012, the Board of Trustees approved to enter into a systemwide Microsoft Campus Agreement, for the period of July 1, 2012 through June 30, 2015 with a competitive sourcing process, not to exceed $4.5 million. After the completion of the sourcing event and award to a State Master Contract Microsoft reseller Insight, Inc., the ongoing costs exceed the estimated total expenditure by $1.9 million for the three year period of the agreement due to expanded campus product selection.

For this new three year agreement, MnSCU CIOs collectively agreed to simplify the volume licensing by switching from a mix of device and head-count-based licensing, to entirely headcount-based licensing for all students, faculty, and staff. The Microsoft EES licenses software based on FTE headcount will cost an additional $600,000.

All institutions benefit from this shift to headcount-based licensing for Microsoft Core Server platform of products. In return, MnSCU has the right to run an unlimited number of instances of the server products included in the platform. Both large and small institutions will realize savings verse device based licensing. These products may be used by all students, faculty, and staff licensed under the Microsoft EES, as well as by external users accessing the products for the benefit of MnSCU.

In addition to Microsoft EES licensing, seven institutions license the Student Option to support laptop programs and allow students to download and install Microsoft Windows and Office products on their own devices. The cost is paid through student technology fees. In April 2012, Minnesota State University, Mankato Student Council voted to increase the technology fee to extend this benefit. This change added $900,000 over the next three years.

Campuses are also planning for the option to license students, faculty, and staff under Microsoft's Office 365 program with an estimated cost of $400,000.

Below is the forecasted cost of systemwide Microsoft licensing:

	2013	2014	2015	Total
Total	$1,880,000	$2,260,000	$2,260,000	$6,400,000

RECOMMENDED COMMITTEE MOTION:

The Finance and Facilities Committee recommends the Board of Trustees adopt the following motion:

The Board of Trustees approves the three year Microsoft licensing term not to exceed a value of $6,400,000 million dollars. The Board directs the Chancellor or his designee to execute all necessary documents.

RECOMMENDED BOARD MOTION:

The Board of Trustees approves the three year Microsoft licensing term not to exceed a value of $6,400,000 million dollars. The Board directs the Chancellor or his designee to execute all necessary documents.

Presented to the Board of Trustees: November 14, 2012