

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Committee: Finance Committee

Date of Meeting: March 21, 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): Marty Gang, Associate Vice Chancellor ITS – Infrastructure
Chris McCoy, Associate Vice President IT – Metropolitan State University

Outline of Key Points/Policy Issues:

The system office seeks approval to enter into a three year system-wide Microsoft Campus Agreement beginning July 1, 2012 through June 30, 2015, which will then allow the system office to conduct a competitive sourcing request for Microsoft products. Total consideration for the contract is expected to exceed \$3 million, and not to exceed \$4.5 million, and consequently requires approval by the Board of Trustees pursuant to *Board Policy 5.14*.

Background Information:

Since 2009, the Microsoft Campus Agreement has allowed all 31 Minnesota State Colleges and Universities (MnSCU) access to the latest versions of this important suite of software for students, faculty, and staff. The enterprise agreement significantly reduces the total cost of software ownership and system-wide licensing compliance. The proposed action item seeks Board approval of the Microsoft Campus Agreement which will then allow the system office to conduct a competitive sourcing event for Microsoft products for the system. Each institution determines their product needs and pays for their campus usage.

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD ACTION
Microsoft Campus Agreement Contract Approval

REQUEST:

The system office seeks approval to enter into a three year system-wide Microsoft Campus Agreement beginning July 1, 2012 through June 30, 2015, which will allow the system to conduct a competitive sourcing event for Microsoft products. Total consideration for the contract is expected to exceed \$3 million, and consequently requires approval by the Board of Trustees pursuant to *Board Policy 5.14*.

BACKGROUND:

Since 2009, the Microsoft Campus Agreement has allowed 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 Campus 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 system-wide 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 to 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. Annually, each institution determines their product needs and pays for their campus usage.

MICROSOFT CAMPUS AGREEMENT:

The system office and the Minnesota State Attorney General's office are currently negotiating the terms and conditions of this agreement. The licensing terms will allow Minnesota State Colleges and Universities to purchase Microsoft software licenses for a three year term starting July 1, 2012 and ending June 30, 2015.

The primary cost driver of licensing includes the variable full time equivalent counts of students, faculty, and staff; which is anticipated to be stable or decline marginally. The Manufacturers Suggested Retail Price of Microsoft's product offering is anticipated to increase approximately nine percent from the previous three year agreement.

Microsoft Campus Agreement Contract Approval

Below is a summary of the historical cost of the Microsoft Campus Agreement:

	2010	2011	2012	Total
Total	\$1,263,709	\$1,377,725	\$1,445,415	\$4,086,849

The Microsoft Campus Agreement sets the stage for the system office to conduct a competitive Request for Bid with the State of Minnesota “Approved Software Resellers” based upon the aggregate size of the Microsoft Campus Agreement for a three year term.

RECOMMENDED COMMITTEE MOTION:

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

The Board of Trustees approves the system-wide Microsoft Campus Agreement for the period of July 1, 2012 through June 30, 2015 and the competitive source process described in this narrative, not to exceed \$4.5 million, subject to final approval by the Chancellor or his designee.

RECOMMENDED BOARD MOTION:

The Board of Trustees approves the system-wide Microsoft Campus Agreement for the period of July 1, 2012 through June 30, 2015 and the competitive source process described in this narrative, not to exceed \$4.5 million, subject to final approval by the Chancellor or his designee.

Presented to the Board of Trustees: March 21, 2012