



CITY OF WAUKESHA

Administration

201 Delafield Street, Waukesha, WI 53188
 Tel: 262.524.3701 fax: 262.524.3899
 www.ci.waukesha.wi.us

Committee: Information Technology Board	Date: 4/6/2016
Common Council Item Number: 16-535	Date: 4/19/2016
Submitted By: Bret Mantey – IT Director	City Administrator Approval: Kevin Lahner, City Administrator
Finance Department Review: Rich Abbott, Finance Director RA	City Attorney’s Office Review: Brian Running, City Attorney
Subject: Review and discuss a request to move to subscription based Office 365 (E3) verses purchasing MS Office 2016. This would require amendment of the capital and operating budget to pay for the E3 licensing, as shown in the financial section.	

Details:
 During the 2016 Budget, the Common Council approved a capital expenditure for Microsoft Office 2016 for \$159,000 on premise edition. There was discussion about going with Microsoft’s subscription based office, but at the time it would have increased the operational budget. Microsoft has changed its licensing model since last year’s budget discussion/approval, which now makes it possible to move the subscription based version (Office 365 E3) and not increase the operational budget.

The current 5 year average annual cost for employees to access the network, after June, 2016, will be \$365 / employee. This is a 5 year total cost of \$1,029,860.

Moving to Office 365 E3 would lower the annual cost of network access to \$256 / employee in year 1, and have a total 5 year cost total of \$723,126. A detailed spreadsheet of 5 year costs and is attached for review

Options & Alternatives:
 The City could opt to stay with its current licensing model, which will mean paying \$365 per employee after June, 2016, verses \$256 / employee for Office 365 E3 (a \$306,734 savings over a 5 year period).

Financial Remarks:
 If adopted, the 2016 operating budget would be amended to move \$59,000 of the budgeted \$159,000 for Office 2016 from the capital budget (fund 400, account 1917.68160 Project 81213) to the operating budget (fund 0100, account 1916.52440). Remaining capital funds for the project (\$100,000) would remain in the capital budget.

Executive Recommendation:
 Move to Microsoft 365 E3 licensing model with a Recommendation to the Finance Committee that \$59,000 be moved from the capital fund (0400, 1917.68160 project 81213, Office 2016 upgrade) to the Operating budget (0100, 1916.52440, software maintenance)

