

Staff Recommendation
Office 365 G3 Purchase

RECOMMENDATION

Recommended by	Gavin Morgan, Township Manager	Date Recommended	03/10/2020
Recommendation	Purchase up to 50 licenses for Microsoft Office 365 (O365) and up to 11 licenses for Microsoft Exchange Online Kiosk (Kiosk) from SHI International for \$10,802.54.		
Approved by		Approved?	

BACKGROUND

Our goal is to provide employees with up-to-date software that is consistent across the organization, that meets the operational needs of the departments, and that provides for the appropriate level of cybersecurity and compliance with state and federal requirements.

Currently the Township is operating with a variety of Microsoft Office versions, ranging from version 2007 to 2019. This leads to issues with compatibility and efficiency for staff. In addition, support for Microsoft Office 2010, which is running on several computers, and earlier versions will be expiring soon. This will lead to further problems with the software remaining functional and possibly to cybersecurity issues.

We have also been experiencing problems with email through Outlook and our Exchange server, which is physically located at the 105 S Oak Park building. The problems include outgoing and incoming messages not being received, issues with the recently expired spam filter software and downtime for email in general. The email spam filter and encryption software, TrendMicro, met Illinois Department on Aging (IDOA) and Age Options requirements; however it has been the source of some of our problems with email.

There are two options for meeting the goals listed above. First would be to maintain the current set-up and upgrade the Microsoft Office Suite on all computers, while maintaining our Exchange Server and upgrading both on a scheduled basis every three to five years. The table below shows the annualized costs for this option based on both a three year and five year replacement schedule.

The second option is to transition to Microsoft Office 365, Government Edition 3 (O365-G3) and Exchange Kiosk. Our IT consultant, Jim Pones and I sought proposals from seven companies. Three offer O365-G3. Those are CDW-G, SHI International, and Connection. We obtained pricing from all three of these providers both with and without taking into account our membership in the National Cooperative Purchasing Alliance (NCPA). The annual costs based on the best pricing we received for this option are shown in the right hand column of the table below.

RATIONALE

Option 2, the Office 365 subscription, is less expensive on an annualized basis than Option 1 with a three year replacement schedule and less than \$1,000 per year more than Option 1 with a five year replacement schedule. All options meet the goals of consistency and meeting our operational needs. In addition, O365-G3 provides improved software security and compliance, improved physical data security, and technical support.

Staff Recommendation
Office 365 G3 Purchase

O365-G3 also comes with additional tools for collaboration and information sharing.

Security will be improved by no longer having a physical email server on-site, as well as information protection tools such as rights management and data loss prevention for email and files. O365-G3 also includes email encryption and “do-not-forward” policy settings.

There are two types of compliance issues that will improve with an O365-G3 subscription. First, we have to comply with federal and state law as well as the requirements of funders regarding the security of information shared by email. Encryption and other measures will meet those requirements, with no need for a third party product, such as TrendMicro. Secondly, we will be able to more effectively respond to FOIA requests and record retention requirements because of the file organization and discovery features provided by O365-G3.

Additional benefits of O365-G3 include SharePoint, which will allow us to create an employee intranet for sharing information and posting important documents, a need that has been identified by staff and management. Other features, such as productivity and analytics features will also be beneficial to staff and the organization.

BENEFIT/COST

Potential Return	Anticipated Cost
Implementing Office 365 will benefit the Township by improving: <ul style="list-style-type: none"> - Security and compliance - Collaboration and information sharing - Up-to-date, compatible software - Efficiency, saving money and time - Productivity and analytics 	Subscribing to Microsoft Office 365 would cost less than \$1,000 more per year than keeping the Microsoft Suite on the Township’s computers and the Microsoft Exchange Server up-to-date, based on a three-year cycle for replacement and \$5,000 less than a five-year replacement schedule.

Annualized Cost Comparison			
Item	Opt. 1		Opt. 2
	Office + Exchange	3 year	5 year
			O365 - G3
Carbonite	\$3,100	\$3,100	\$2,100
Office Software	\$7,500	\$4,500	\$11,000
Email Server	\$6,333	\$3,800	\$0
TrendMicro	\$1,100	\$1,100	\$0
TOTAL PER YEAR	\$18,033	\$12,500	\$13,100