

Microsoft Reseller Recommendation

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Summary

At this time the Office of the CIO, Site Licensed Software, recommends that we sign Insight as our reseller for Microsoft products. A combination of total University spend, current and future projects, and service issues with SHI all play into this decision. Site Licensing has met with both the Site License Advisory Team and the previous Microsoft Campus Agreement Team to review preliminary recommendations.

Price and Spend

Pricing for this year is lower than it was last year. In FY10, the total University spend for the Campus Agreement alone was **\$1,010,149.19**. This year has seen an increase in FTE counts that drives up the total number of FTE’s we need to purchase for.

In a side-by-side comparison of price, including estimates with both the Campus Agreement and Select Agreement factored in, Insight appears to be the least costly of the two suppliers. These numbers include the cost of Select purchases from Fiscal Year 2009 for estimation, since FY10 is not complete yet:

Solution	SHI	Insight
Current Solution	\$1,003,801.24	\$988,287.55
Full ECAL uplift	\$1,075,484.34	\$1,051,983.74
Select (est. from FY09)	\$553,014.41	\$568,616.70

The “**Current Solution**” includes an uplift of approximately 49% this year. The “**Full ECAL uplift**” is the cost if we were to uplift the entire university to the Enterprise Client Access License (ECAL).

The cost difference for total University spend between SHI and Insight without including Select (which departments purchase on their own) indicates that Insight is roughly \$15,513.69 less expensive for our current solution, and \$23,500.60 less expensive for a full uplift.

The cost difference with estimated Select purchases included would make SHI \$88.60 less expensive than Insight for the current solution, but make Insight \$7,898.31 less expensive than SHI for a full uplift to ECAL.

I expect to see fewer Select purchases this year as a result of budget cuts, meaning that the estimate provided above may be high.

In the end, **Insight appears to be the less expensive supplier on the whole**, and in the one instance where SHI is less expensive, pricing differences are negligible, regardless of the direction we move with this purchase.

Current and Future Products

At this time, the University is 49% uplifted to ECAL. Each year, new departments are added on, and this year may continue this trend with additional departments seeking to bring our total uplift to approximately 60%.

There is also a strong savings with Insight for our currently uplifted ECAL users. Comparing the cost of last year's ECAL uplift to this year's estimated cost for the Medical Center alone results in a **savings of approximately \$18,000**, even after an increase of approximately 500 new FTE's this year for that area.

While the Unified Messaging and E-Mail projects have not expressed a requirement for ECAL in FY11, future plans could make it necessary as early as FY12. If this is the case, then having a supplier who can provide ECAL at a lower cost is very important, even if we do not uplift this year.

Additionally, renewal of the McAfee product in two years (Sept. 2012) may be impacted by a full uplift to ECAL. Because ECAL contains the Microsoft ForeFront Security Suite, an uplift means that we can begin testing this product as a potential replacement for some (or possibly all) of our McAfee licenses, which may save the Office of the CIO up to \$300,000 in FY13.

Because of our trend toward uplift among the colleges, internal upcoming OCIO projects that benefit the entire University, and the potential to reduce our reliance on McAfee products, **Insight is the best fit for our long-term goals.**

Previous Service Issues

Our current supplier for Microsoft is SHI. In 2007, SHI had their reseller contract with the IUC extended, on the understanding that the service levels would improve. To date, there appears to be no marked improvement. Reports of products purchased that were never delivered, difficulty obtaining responses and SLA breaches, and incorrect products received have all been cited. Additionally, staff time spent attempting to track down and correct problems with SHI have been high at times.

SHI has offered improvements to their service again, including a new account team and a 4-hour turn-around SLA on query response.

Insight has offered these things as well, but offered a 2-hour turn around for acknowledgement on top of the 4-hour SLA for quote completion. Insight also has a local office in downtown Columbus, has offered to bring in additional training if we desire it, and has less history behind their name at OSU.

Of particular concern is that it has been expressed on some lists that there are people at the University who are not willing to give SHI a second chance, which means that they may be willing to pay more for their software to use another supplier. If this were to happen, it could undermine any savings SHI is able to bring to the table.

Beginning with a new reseller at this point seems to be the best possible option to avoid a repeat of the promises provided but not lived up to in 2007 and a continuation of individuals going outside the recommended reseller to obtain products. **Again, Insight is recommended.**

Current Reseller Options

The Ohio Inter-University Council has selected these two resellers for the use of the IUC and any school that enters into this agreement. This section contains greater detail on each of the resellers.

SHI

SHI, our current reseller, is one of the awarded suppliers. The majority of schools in the IUC have been pleased with their service, but OSU has generally not. While service problems are not prevalent in all areas of the University (there are some departments who are not dissatisfied with SHI's service), comments about the service level are rarely full of praise, and tend more toward the expected.

In other words, many people around the University receive what they order in a timely fashion, with few issues, but none have mentioned any outstanding service received.

SHI has offered to move us from our current reseller team, which may be the source of some problems, as all other IUC schools have the same team and are very happy with that team.

SHI also has a great deal of institutional knowledge that simply cannot be transferred to another reseller, but institutional knowledge is only useful when it benefits the institution.

SHI has offered a price that does not have a clear vision of where we are going as a University. The pricing for ECAL uplift for faculty and staff is nearly a dollar more expensive per FTE, and the student CoreCAL pricing (part of the Campus Agreement) is 7¢ more expensive. As a growing institution, these both add up.

Finally, SHI gives a greater discount on Select sales. Using an SHI-generated report of Select sales from FY09 and comparing it with Select sales over the three-year life of the contract, it appears that we purchase approximately \$550,000 of Select licenses per year (after discount). The price difference between SHI and Insight on Select is about \$15,500, with SHI being less expensive.

As mentioned above, however, the cost of the ECAL uplift begins to offset any savings on Select, and makes Insight less expensive on the whole.

Insight

Insight is the other awarded supplier on the IUC contract. They would be new for Site Licensing to do business with, they are not yet in eStores, and their account team is slightly smaller than SHI's current team. I have asked them to begin working on items we may need, and they have indicated that they can flex to fit our needs as they arise.

Already, Insight is working on entering eStores, configuring their account team to better serve us, and trying to ensure a smooth transition, if this recommendation is accepted.

Straight savings with Insight appear to be between \$8,000 and \$23,500, with variance relating to the total select purchases made. That number may increase or decrease depending on how much Select is purchased, but it is clear that the total savings from a full uplift to ECAL, whether in the first, second or third year of the contract, will cover the difference in Select sales.

Changing Resellers

We are allowed, by contract, to change resellers if Insight should not work out. We are required only to notify Microsoft 30 days in advance, and I have been assured that no service interruption is

necessary. **If we change resellers to Insight and decide we have made an error, we can return to SHI with no penalty**, though we will be required to renew at SHI's contracted prices.

Pricing Comparison Detail

Solution	SHI	Insight
Current Solution	\$1,003,801.24	\$988,287.55
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This table represents the total university spend on both the current solution and a full ECAL uplift. As mentioned in the summary, Insight is less expensive on the whole for a full ECAL uplift, while the price difference is negligible for the current solution.

Because of recent announced budget cuts, it stands to reason that we are likely to spend slightly less this year on Select products than we did in FY09. Additionally, FY10 saw many projects starting up, which led to the purchase of servers and similar products that will be needed. FY11 seems to present us with lower Select costs going forward. This will decrease the benefits that a 2.25% discount on Select (the difference between Insight and SHI) would hold, and will magnify the differences between the current solution.

For specific comparison, our Autumn 2009 FTE counts are as follows:

- **Faculty/Staff** – 21939 FTE
- **Student** – 53650 FTE
- **Currently uplifted F/S** – 10783.8 FTE

Costs for all products are as follows (relevant costs are highlighted in yellow):

Product	Insight	SHI
Campus Agreement Desktop Suite for Faculty/Staff	\$38.45	\$38.17
Campus Agreement Desktop Suite with Enterprise CAL for Faculty/Staff	\$44.16	\$45.06
Student CoreCAL	\$1.55	\$1.62
Student Enterprise CAL	\$9.38	\$11.17
Campus Agreement Desktop Suite for Students	\$15.68	\$15.48
Campus Agreement Desktop Suite with Enterprise CAL for Students	\$22.64	\$23.19
Exchange Online Std per user – Faculty/Staff pricing	\$0.85/per month	\$1.40/month
Exchange Online Std per user for SA – Faculty/Staff pricing	\$0.74/per month	\$1.18/month
Visual Studio.Net Professional	\$1.54	\$1.65
Select Discount	18.0%	20.25%

The cost difference between the ECAL on both vendors, as well as the cost difference between the Student CoreCAL piece, is what made the difference between SHI and Insight. Insight's pricing model was better built for a University looking ahead toward new projects, and understanding that our student population continues to grow.