

## COUNCIL COMMUNICATION

<b>DATE:</b> 02/17/26	<b>SUBJECT: Motion</b> Consideration to approve the renewal of licenses from Microsoft Inc. for the Microsoft Office 365 productivity, collaboration, and communications suite, a cloud-based solution, through SHI Government Solutions, a Microsoft partner, in the amount of \$668,652.00 for year two, with an option to renew for year three, under DIR contract #DIR-CPO-5237. Funding is available in the IST Administration Division line-item 595-5505-512-0700.	
<b>INITIATED BY:</b> Steve E. Landin, Assistant City Manager	<b>STAFF SOURCE:</b> Joe Rivera, Information Services & Telecommunications Director	
<b>PREVIOUS COUNCIL ACTION:</b> Year one was approved by the City Council on 05/19/25.		
<b>BACKGROUND:</b>  In May 2025, the City of Laredo engaged SHI International Corp. to support a phased migration from the City's on-premises Microsoft Exchange environment to Microsoft Exchange Online. The initial year of the project focused on assessment, planning, and configuration of the new cloud-based environment to ensure security, continuity of operations, and minimal disruption to City services.  Configuration is now complete, and SHI is actively migrating all on-premises mailboxes and public folders to Exchange Online, with completion expected in early Q2.  The project includes migrating: 2,480 mailboxes (2,300 user mailboxes and 180 resource mailboxes) and 20 public folders currently residing on an Exchange 2010 server to SharePoint.  Sales Order GS00921158 in the amount of \$668,652.00 represents the renewal of Microsoft Office 365 licenses for year two, supporting continued system availability and user access during and following the migration.		
<b>FINANCIAL IMPACT:</b> Funding is available in the IST Administration line item #595-5505-512-0700.		
<b>COMMITTEE RECOMMENDATION:</b> N/A	<b>STAFF RECOMMENDATION:</b> Staff recommends approval.	