

GITA Recommendations:

This document supplements the GITA presentation to the CIO Council on 1-13-10 regarding reduction of Microsoft licensing expense.

My agency has SA and has lost a significant amount of staff. Can I obtain relief?

If your agency has an enrollment for SA coverage and has experienced a significant staffing reduction Microsoft has agreed to reduce the desktop counts for the remainder of the three year term. There are six scenarios in this section. One of the scenarios will be applicable to your agency's situation. The six scenarios are:

- 1) EA Program - License (L) + SA Initial Three Year Term - One or Two Annual Payments Completed
- 2) EA Program - L + SA Initial Three Year Term – Three Annual Payments Completed
- 3) EA Program - SA Only (Subsequent Three Year Term to Initial L + SA Term) - One or Two Annual Payments Completed
- 4) EA Program - SA Only (Subsequent Three Year Term to Initial L + SA Term) - Three Annual Payments Completed
- 5) Select Program (Option 2)
- 6) If your agency desires to drop SA coverage for ALL enrolled desktops prior to completion of the three-year term due to financial hardship, the Enterprise Agreement allows this via a non-availability of funds clause.

Additional description and recommendations for each of the (6) scenarios follow:

1. EA Program - L + SA Initial Three Year Term - One or Two Annual Payments Completed

- Microsoft agrees to a reduction in the desktop count for the remaining years of the three year term
- Three year clock does not reset (e.g. term remains as per original enrollment)
- Per desktop price does not change
- Remaining years of the three year EA term will be based on the revised desktop count
- Revised desktop count is based on good faith Agency / Microsoft agreement for number of affected desktops due to staff loss
- Agency is not granted credit for partial year reduction
- Agency is not granted credit for licenses 'earned' from the reduced number of desktops [e.g. If one payment (of three total) has been made the Agency does not receive 1/3 of the licenses of the total desktop amount reduced – all partially earned licenses are forfeited]

2. EA Program - L + SA Initial Three Year Term – Three Annual Payments Completed

- Because the agency is not granted credit for a partial year reduction and is not granted credit for licenses 'earned' from the reduced number of desktops DO NOT request relief in this scenario. Instead, allow the EA term to expire naturally and do not renew SA coverage. See item 2.d if desiring to renew SA coverage.
- Consider upgrade to latest available version. There are no penalties for upgrading.
- Agency is entitled to the most current version shipping on the last day of the contract and can upgrade to that version at a later date
- Agency will own the licenses
- Licenses can be transferred to another agency (requires execution of an amendment to the agency's EA program enrollment)

3. EA Program - SA Only (Subsequent Three Year Term to Initial L + SA Term) - One or Two Annual Payments Completed

- Microsoft agrees to a reduction in the desktop count for the remaining years of the three year term
- Three year clock does not reset (e.g. term remains as per original agreement)
- Per desktop price does not change
- Remaining years of the three year EA term will be based on the revised desktop count
- Revised desktop count is based on good faith Agency / Microsoft agreement for number of affected desktops due to staff loss
- Agency is not granted credit for partial year reduction
- The Agency already owns the licenses in this scenario. Reduction in the amount of desktops covered does not impact the number of licenses retained by the Agency
- Licenses from the desktops with dropped SA coverage can be transferred to another Agency
- If product upgrades were made during this enrollment period (such as from Office 2007 to 2010, for example) they agency will have the rights to Office 2010 for the percent of years they have paid the SA. For example, if an agency has paid one year of the (3 year) SA term, 1/3 of their desktops are eligible for Office 2010. The other 2/3 are eligible for Office 2007.

4. EA Program - SA Only (Subsequent Three Year Term to Initial L + SA Term) - Three Annual Payments Completed

- Because the agency is not granted credit for a partial year reduction and already owns the licenses DO NOT request relief in this scenario. Instead, allow the EA term to expire naturally and do not renew SA coverage. See item 2.d if desiring to renew SA coverage.
- Consider upgrade to latest available version. There are no penalties for upgrading.
- Agency is entitled to the most current version shipping on the last day of the contract and can upgrade to that version at a later date
- Agency will own the licenses
- Licenses can be transferred to another agency (requires execution of an amendment to the agency's EA program enrollment)

5. Select Program (Option 2)

The three-year term of the SELECT program expires June 30, 2010. If an Agency has products covered by SA under the SELECT program, what action should be considered?

- Because the State is not granted credit for a partial year reduction and already owns the licenses DO NOT request relief in this scenario. Instead, allow the SELECT term to expire naturally and do not renew SA coverage.
 - Consider upgrade to latest available version. There are no penalties for upgrading.
 - Agency is entitled to the most current version shipping on the last day of the contract and can upgrade to that version at a later date
 - Agency will own the licenses
 - Licenses can be transferred to another agency (requires execution of an amendment to the agency's EA program enrollment)
6. If your agency desires to drop SA coverage for ALL enrolled desktops prior to completion of the three-year term due to financial hardship, the Enterprise Agreement allows this via a non-availability of funds clause. It is suggested that the agency discuss this option with their AG Office rep prior to moving forward.