Business Case Summary

Project #	ICIBO009 (AS7 ID IIA86018)	**Controlled Doc #**	Refer to the BCS Writing Guidance
Project Title	Microsoft Canada Enterprise Agreement		
Facility	700 University	**Investment Classification**	Sustaining
Project Level (Scalability)	B	**Financial Classification**	☐ OM&A ☒ Capital ☐ Capital Spare ☐ MFA ☐ CMFA ☐ Provision ☐ Others: [if applicable]
Release: Gate and Project Phase	☐ Choose an item. G0 : Initiation ☐ Choose an item. G1 : Choose an item.		☐ Choose an item. G2 : Definition ☒ Full G3 : Execution
Estimate Class (overall project)	Class 1	**Target Project Completion Date**	Apr-2023

Recommendation

We recommend a release of $22,945 K, including $0 K of contingency.

This release is to support the renewal of the Microsoft Enterprise Agreement for Office 365 licensing and associated products. This business case includes the Microsoft EA spending of $7.649K/year for 3 years, but excludes the server cloud enrolment as well associated Azure costs.

Investment Cash Flows

$K	LTD	2020	2021	2022	2023	2024	2025	Future	Total
Previous releases									-
Current request	-		7,648	7,648	7,648				22,945
Total released to date	**-**	**-**	**7,648**	**7,648**	**7,648**	**-**	**-**	**-**	**22,945**
Future required	-								-
Total Project Cost	**-**	**-**	**7,648**	**7,648**	**7,648**	**-**	**-**	**-**	**22,945**
Ongoing Costs	-								
					Gate:	**G3**	**OAR Approval:**		$22,945 K

Approvals	**Signatures**	**Date**
The recommendation, including the identified ongoing costs, if any, represents the best option to meet the validated business need.		
Recommended by: Project Sponsor Chris Woodcock Director, IT Services, CIO	Chris Woodcock	Sept. 3, 2020
I concur with the business decision as documented in this BCS.		
Finance Approval: Louisa Kwan Director, Controllership		
I confirm that this investment/project, including the identified ongoing costs, if any, will address the business need, is of sufficient priority to proceed, and provides value for money.		
Line Approval per OAR 1.1: Jason Wight Chief Information Officer, CIO		

DRAFT

EXECUTIVE SUMMARY – Project Overview
The Microsoft (MS) Enterprise Agreement (EA) ensures Ontario Power Generation (OPG) has IT standardization across the organization, streamlined administration and budgeting, and provides a flexible infrastructure environment that responds rapidly to changing needs. This EA includes a robust Software Assurance program, and a comprehensive maintenance program that ensures OPG maximizes the benefits of the licensed products to help users save time and money while increasing productivity. These benefits support OPG's ability to plan, deploy, use, maintain, train and transition software solutions. OPG has had an EA with Microsoft since 2017. Changing the software platform would have a significant impact on OPG, and would impact on work processes and compatibility with many systems and alignment with our vendors and partners. The cost of any change would also be significant. The MS EA is a sustaining investment, and is not an IT Project. The EA reduces the cost of IT computing and maximizes the benefits of software investments as follows: • The right tools and resources that can help IT staff and employees be more productive. • Software Assurance that offers a broad range of tools, services, and solutions to help users. • Upgrade rights to the latest technology through Software Assurance. • The ability to standardize IT choices across the organization, so OPG can tap into the latest technology at substantial savings. • Spreading fixed payments across a three-year term will help OPG's budgeting process. • Reduce OPG's effort to manage software licenses, and streamline the procurement process. • The ability to evaluate any product for 60 days before a purchase. • Centralize purchasing and share software products with qualified affiliates. OPG requires a MS EA contract in place in order to maintain an innovative work environment. This EA provides OPG a program to access the latest technology—Microsoft Office, Windows, Security, Azure, Skype/Teams and Dynamics platforms beyond 2020.

Business Need	For Project Level A or B
Consistent with the existing Microsoft EA, OPG still requires a simple, flexible, and affordable way to standardize its business technology (i.e. applications, operating systems, cloud, security, telecom and servers). The Enterprise Agreement can help drive IT standardization across the organization, streamline administration and budgeting, and build a flexible infrastructure.	

Preferred Alternative:	**Microsoft Enterprise Agreement only viable solution**	For Project Level A, B or C
Description of Preferred Alternative		
OPG has had an EA with Microsoft since 2017. OPG requires a MS EA contract in place in order to maintain an innovative work environment. This EA provides OPG a program to access the latest technology—Microsoft Office, Windows, Security, Azure, Skype/Teams and Dynamics platforms beyond 2020. This business case includes the Microsoft EA spending of $7.649K/year for 3 years, but excludes the server cloud enrolment as well associated Azure costs. As part of the Microsoft Enterprise Agreement OPG receives the following: • Windows 10 operating system • Office 365 (Word, Excel, PowerPoint, OneNote, Access) • Emails Outlook • SharePoint and Yammer • Skype and Teams • MyAnalytics and Power BI Pro • Microsoft Cloud App Security, Windows Defender and Azure Threat Protection Other new capabilities that OPG expects to take advantage of such as Microsoft Forms, PowerApps and Planner.		

Deliverables:	**Associated Milestones (if any):**	**Target Date:**
Current release:		

Business Case Summary

Deliverables:	Associated Milestones (if any):	Target Date:
Enterprise Agreement Renewal		April 1, 2023

Alternative 2: **Base Case – No Project** For Project Level A, B or Value-Enhancing

OPG has had an EA with Microsoft for many years. Changing the software platform would have a significant impact on OPG, and would impact on work processes and compatibility with many systems and alignment with our vendors and partners. The cost of any change would also be significant. Therefore, this alternative is not recommended.

Alternative 3: M365 E3/E5 For Project Level A, B or Value-Enhancing

Negotiations with Microsoft assessed if we used a mix of license types could OPG get a better deal. OPG outlined a mix of 4000 E3 licenses and remaining E5 licenses. Microsoft could not provide the same license savings on E3 and E5 licenses making this option unattractive. OPG would lose all the security capabilities

Pro's

- No Pro's.

Cons:

- OPG would have to manage two different license types.
- Discounts were considerably less making the overall cost more than the preferred alternative.

M365 E3/E5	
EA	
Year 1 Annual Total	$8,103,720.03
Year 2 Annual Total	$8,103,720.03
Year 3 Annual Total	$8,103,720.03
Three-Year Total Spend	**$24,311,160.09**

Additional Risk Analysis For Project Level A or B

No changes to the Enterprise Agreement expected over the term of the agreement.

Financial Evaluation For Project Level A, B (with multiple feasible alternatives) or Value-Enhancing

$K	Preferred Alternative (M365 E5)	Base Case (No Project)	Alternative 3 (M365 E3/E5)	Alternative 4	Alternative 5
Project Cost	$22,945K	N/A.	$24,311K		
NPV					
Other: (e.g., IRR)					

Analysis of Financial Evaluation – Key Assumptions and Key Results:

A financial evaluation is not required for Sustaining investments.

APPENDICES

Appendix A1: Summary of Estimate - Total Project Cost										
Project Number:	**ICIBO009 (AS7 ID IIA86018)**									
Project Title:	**Microsoft Enhancement Agreement – 2020 – 2022**									
$K	**LTD**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**Future**	**Total**	**%**
Project Mgmt									-	0%
Inspection									-	0%
Engineering									-	0%
Procurement			7,648	7,648	7,648				22,945	100%
Construction									-	0%
Commissioning									-	0%
Closeout									-	0%
Subtotal	-	-	7,648	7,648	7,648	-	-	-	22,945	100%
Outside WBS									-	0%
Contingency									-	0%
Subtotal w/ Contingency	-	-	7,648	7,648	7,648	-	-	-	22,945	100%
Interest									-	0%
Other									-	0%
Total	**-**	**-**	**7,648**	**7,648**	**7,648**	**-**	**-**	**-**	**22,945**	**100%**
Removal Costs (incl. above)									-	0%

Appendix A2: Summary of Estimate – Notes			
Escalation Rate	N/A	**Interest Rate (going-forward)**	N/A

Appendix A3: Summary of Estimate – In-Service Estimates				
$K	Only applicable to capital projects. In-Service amount shall include interest but exclude removal costs.			
Project #	**Date (YYYY-MM-DD)**	**Description**	**Amount**	**%**
IIA86018	4/1/2021	Annual Total (2021)	7,648	33%
IIA86018	4/1/2022	Annual Total (2022)	7,648	33%
IIA86018	4/1/2023	Annual Total (2023)	7,648	33%
Total			22,945	100%

Prepared by:		Reviewed and Endorsed by:	
Joe Reid CIO Application Lead	[Insert Date] Date	Maurice Armstrong IT Services Manager	[Insert Date] Date

APPENDICES (Continued)

References	For Project Level A or B
EA Spreadsheet OPG%20-%20Micros oft%20Renewal%20-%	