

Fiscal Comments
Commission Meeting
August 12, 2025
Regular Meeting

Policy Report

Consider the Purchase of Microsoft Office Subscriptions

During the 2025 Operating Budget and 2025 – 2029 CIP Budget process the City Commission approved \$419,400 for Software Maintenance, which includes annual software licensing and subscriptions. This amount includes \$100,000 for the addition of annual subscriptions for M365 for Government and Adobe.

Staff has completed the preparation necessary to host the City's data in Microsoft's cloud and is ready to purchase the licenses and begin the transition to the cloud Microsoft 365 subscription licensing model. This transition is necessary because existing licenses will expire in October 2025. Staff met with several providers and selected CDWG because they offered the most comprehensive package and best pricing. The contract will be for a one-year agreement, with two one-year renewal options. The annual contract amount is \$52,428.50; this is less than the amount budgeted in the 2025 Operating Budget. The proposed 2026 Operating Budget includes sufficient funds for Microsoft O365 licensing, as well.

Staff recommends the purchase of Microsoft cloud subscription licensing for O365 – using the Southeast Kansas ESC (022-G) contract and the M365-G5 and O365-F1 licenses from the MPSA Agreement (Microsoft Products and Services Agreement). The contract will be executed through CDWG and will total \$52,428.50.

Policy Report PWD No. 25-32

Consider Approval of the Final Contract Change Order and Acceptance of the Construction for the 2025 Pavement Management Program Mill and Overlay Project Engineering Project No. 2024-010 Finance Project No. I2201

During the 2025 Operating Budget and 2025 – 2029 CIP Budget process the City Commission approved \$2,100,000 for 2025 Pavement Management Project (PMP).

In January 2025, the City Commission approved the construction contracts for the mill & overlay and granite seal phases of the project totaling \$1,924,673.44 (includes a 5% contingency for the mill & overlay portion of the project). In addition, the City anticipates spending approximately \$100,000 in 2025 for the planning and engineering phase of the 2026 PMP. Therefore, the total maximum cost of the 2025 PMP prior to this change order is \$2,024,673.41.

The mill and overlay portion of the project is complete. As is typical with this sort of project, there were cost overruns and underruns on individual bid items. There was also additional work items added due to soft subgrade issues that were encountered at Cody Park. Therefore, there was a net cost overrun of \$53,098.14 for the Mill & Overlay portion of the 2025 PMP. The net cost overrun is less than the contingency amount in the contract, therefore the new total for the 2025 PMP is now \$2,008,544.55; per the below table.

Company	Project Phase	Bid Amount	Contingency	Maximum Amount
McAnany Construction	Mill & Overlay	\$1,384,543.27	5% - \$69,227.16	\$1,453,770.27
McAnany Construction	Change Order	\$53,098.14		
Final - Mill & Overlay		\$1,437,641.41		
Vance Brothers, Inc.	Granite Seal	\$470,903.14		\$470,903.14
Total Bids		\$1,908,544.55		\$1,924,673.14
Estimated Planning Costs for 2026 PMP		\$100,000.00		\$100,000.00
Total 2025 PMP after Change Order		\$2,008,544.55		\$2,024,673.41

Staff recommends that the City Commission approve the Finance Change Order for the 2025 Pavement Management Program Mill and Overlay Project in the amount of \$53,098.14 and grant acceptance of the project.