

## O365 Questions and responses

April 29, 2014

1. Microsoft has stated that switching to O365 licensing will save on CALS because it is per person, not device. Each license allows the person to use, or access, the Microsoft products for up to 5 different devices. How would agencies assess what license type is best for them?

*Each organization has somewhat unique scenarios based on their currently licensing position, what new products they want to add, and the mix of user and device counts.*

*Given an organization that is a current Core CAL EA customer, and where the user count and the device count is the same, including phones and tablets in the device count, the lowest Microsoft spend will be to remain on the current model*

*However, if an organization is looking to add functionality to their Core CAL EA, such as SharePoint Enterprise or is an eCAL customer with more devices than users, it will most likely work out that licensing via the Office 365 model will lower the Microsoft spend.*

Scenarios where O365 may cost less				
Current State	Future State			
	Core CAL EA		eCAL EA	
	More Users	More Devices	More Users	More Devices
No EA	x	x	x	x
Core CAL EA			x	x
eCAL EA	n/a	n/a		If ~8% more devices

*Please see the attached actual department scenarios:*

2. Is O365 an affordable way to get an enterprise CAL?

*Since agencies have different licensing levels and composition, they should work with Steve Finney to get a customized assessment of the options. In most cases, O365 is the more cost effective way to acquire Microsoft eCAL technologies.*

*See the attached Dept. of Revenue scenario.*

3. If a user switches to O365- what happens to the perpetual licenses they held under the EA or Select agreement previously? If those licenses are no longer perpetual, how would an agency get the perpetual licenses back?

*All licenses enrolled in current EA agreements are provided with perpetual licenses at the current version at the time of transition to Office 365.*

*Assuming continual coverage of Office 365, if an agency decides to move back to perpetual licensing, they have the option to pay one year of Software Assurance, which will bring the perpetual version of the software up to the current level.*

*See page 26, section 16-Miscellaneous, item q, of the State Master Enterprise Agreement.*

4. What is the exit strategy to leave O365? How is data stored in the cloud migrated back to an on-premise solution?

*For Enterprise Agreement customers, they can revert back to their original EA agreement by paying one year of Software Assurance and continuing with the traditional EA program.*

*For data portability, WA can download a copy of all data at any time and for any reason, including termination of the contract/service. Instructions on how to download email content and files stored in SharePoint Online can be found here: <http://office.microsoft.com/en-us/business/office-365-online-data-portability-FX103045783.aspx>*

*Upon termination of an Office 365 account, the customer will tell Microsoft to either delete the data, or retain the data for migration purposes. If retention is the choice, Microsoft will retain the data for at least 90 days beyond the end of the agreement. This option is provided for in the Master Enterprise agreement on page 27, subsection U.*

5. What home use rights exist with O365? Is it a separate product like it is today that agency staff can purchase for personal use at home?

*No. The Home Use Program (HUP) is replaced by one of the 5 licenses now provided under Office 365.*

*When moving from traditional Software Assurance to Office 365 subscription, the Home Use Program benefit terminates. This is to be replaced by one of the 5 user installs*

*in checking with other States, we are not finding ethical limitations when users install on their home PC for personal use. This is similar to the ethics review and approval process associated with the Home Use Program when first introduced.*

6. Are there any smartphone license issues?

*No. Office 365 is based on a per user licensing model.*

7. Can an agency buy Lync in the cloud licenses for two months, and then migrate those licenses back to a CTS on-premise service?

*An Office 365 Lync Online licensed user is licensed to consume services from Lync Online or Lync on-premises. As such, there is no "license migration" needed.*

8. Is there a true down available with O365 or is it only a true up? Is that done monthly or every year like our current EA?

*Annually. WA will start at a baseline and can then True Up from there on an annual basis, like the current EA. There is the opportunity to True Down annually as well, but not below the baseline starting level.*

9. How do agencies keep O365 accounts open for separated employees to assure records retention compliance? Is that counted as a user, even if the person no longer works there?

*In-Place Hold preserves records. Therefore, place mailboxes on In-Place Hold and then remove licenses. Mailbox contents are now preserved but mailbox is not operational and thus does not need to be licensed. The license can then be re-provisioned to another user.*

10. Are there bandwidth considerations for large enterprises (60,000+ users) moving entirely to the full O365 cloud service, particularly with regards to Lync? If so, what are they?

*As part of an onboarding process, bandwidth and capacity assessments should be conducted. Microsoft Consulting Services, Microsoft Premier Services, and/or certified Microsoft partners have the skillset to assist in this. From a service standpoint, Office 365 has been adopted successfully by very large organizations (e.g. Public Sector organizations like Texas with 150,000 users, State of California at 80,000, State of New York at ~ 100,000, State of Michigan at 50,000) and many other non-public multi-national corporations with numbers of users that far exceed public sector customer organizations (e.g. American Express at > 300,000). Federal agencies like the Department of Veteran Affairs at 600,000 seats.*

*There are special considerations for any workload adoption, and for Lync, we would approach it the same way as any rich VoIP/UC project and leverage/conduct QoS assessments accordingly.*

11. If an agency is in O365- do they have any control over versioning changes?

*Yes. They can choose the timing of when Office is being upgraded/updated. They also have the ability to postpone when their back-end services (Exchange Online, SharePoint Online, and Lync Online) will be upgraded, although they cannot defer upgrades indefinitely.*

*Manual updates to Office ProPlus will still be an option.*

*There are two definitions to be aware of:*

*a. Service Updates: Service updates are individual service improvements that occur throughout the year. These may not be postponed.*

*b. Service Upgrades: A service upgrade is a major release of new features and functionality. It's similar to a new version of the product. It may be postponed to accommodate a customer need.*

12. Can agencies migrate to the O365 cloud service without a Microsoft services contract?

*Yes. However, as with any IT project, it is highly recommended that customers adopting Office 365 use Microsoft Consulting Services, Microsoft Premier for Office 365 (Cloud Vantage) or a Microsoft certified Office 365 partner to provide migration assistance. Services provided by MCS, Premier, and/or partners will ensure a smooth transition because of the expertise and experience they can provide.*

13. If agencies license via O365, can they continue to use the CTS on- premise solution?

*Yes. Please see answer to Q#7.*

14. Are there benefits to the State of WA to pursue a single procurement for Microsoft licenses rather than separate purchases under separate EAs?

*There is no price benefit to a single procurement, as all government Microsoft software purchases are already aggregated to the 120,000 discount level.*

*There are benefits to the central service to ensure all customers have the proper licensing and that all agencies are able to consume the services being provided.*

15. Kiosk Licensing – what is covered? Where are products located – on prem or in the cloud? What other options exist when an agency/sub-agency has far more users than devices?

*There can be confusion when using the word Kiosk. It can be a Microsoft product description or it can be used in the definition of a shared workstation, such as a device in a hospital shared by many staff.*

*There are 155 missing features from the O365 Kiosk sku when compared to the O365 G3 plan. The most significant are the lack of locally installed Office applications, including Outlook, significant SharePoint and Excel feature reductions, and the lack of Legal Hold, eDiscovery, archiving, and Data Loss Protection. Because of the complex needs of WA State it was determined that the Microsoft Kiosk sku is not a good fit and is not being considered. The full comparison is available at:*

*<https://skydrive.live.com/redirect?page=view&resid=30E789BC81036E86!12370&authkey=!ALZ1AvOW-kzh93Y>*

*We will continue with the Kiosk definition being a workstation that is being shared by multiple users.*

*When licensing a scenario where there are significant shared Kiosk machines, it is possible to create a blended licensing model for the shared workstation environment. In this scenario, the shared devices continue to license Office by the device, yet the users are still covered by Office 365.*

*See the attached Department of Corrections scenario.*

- a. Explain the lifecycle for licenses when users come and go.  
As is similar to the answer in question #9, abandoned accounts can be archived for no extra charge and the license made available to be reissued to another employee*
- b. How can or do licenses/subscriptions transfer? For example, some agencies experience a high turnover rates. Will we end up paying for all employees who are ever enrolled or can we reassign/transfer subscriptions so that overall counts don't increase with turnover of existing positions.  
See answer for a.*

16. What happens when a renewal of the EA comes due and we don't migrate to O365 but instead stay "as is" with the perpetual licenses?

*There is no pricing penalty for remaining on the current licensing model. Organizations can move to O365 at any time. The only consideration is if there could be cost savings available.*

17. What happens if we change to O365 in the middle of an EA with perpetual licenses?

*When an organization moves to O365 during their contract year, there is no charge for the service for the remaining months of the contract year. As long as the number of O365 users in the following year is the same or higher, there is no cost for the first months of the transition. The new billing will start at the next contract anniversary.*

*Any reduction in Office counts due to the user-based licensing will occur at the time of the EA*

*renewal.*

18. Can agencies purchase the CTS Lync solution if they do not have O365 Licenses?

*Agencies need to have Lync Client Access Licenses (CALs) in order to consume Lync services. CTS will be responsible for the Lync Server license(s). CALs provided by the agencies can be acquired through traditional methods (e.g. Enterprise Agreement) or via Office 365. Under the Office 365 model, agencies can choose to consume Lync Online through Office 365 without additional licensing costs.*

# Licensing Scenarios

## 1. Core CAL Platform EA to Enterprise CAL, Dept. of Revenue

Traditional vs Office 365 Licensing Comparison						
<i>Note: final pricing will come directly from the State's reseller, Compucom.</i>						
Product	Traditional Licensing			Office 365 licensing		
	Current EA Count	Cost	Total	O365 Count	Cost	Total
Office 365 - (user-based)				1185	\$ 143	\$ 169,088
Office Professional by desktop (device-based)	1500	\$ 79	\$ 118,500	Included in O365		
Core CAL Suite (renew at SA Only) (user-based)	1185	\$ 35	\$ 41,475			
Enterprise CAL Suite (Step up from Core CAL) (user-based)	1185	\$ 61	\$ 72,285	Included in eCAL Suite		
Microsoft Exchange Server Standard CAL						
Microsoft Exchange Server Enterprise CAL with Services						
Microsoft Lync® Server Communications Software Standard CAL						
Microsoft Lync Server Enterprise CAL						
Microsoft SharePoint® Server Standard CAL						
Microsoft SharePoint Server Enterprise CAL	0	\$ 36	\$ -			
Exchange Online Archiving				1185	\$ 14	\$ 16,590
Core CAL Bridge for Office 365 (renew at SA Only) (user-based)				1185	\$ 18	\$ 21,330
Enterprise CAL / Bridge CAL Suite (user-based)				Included in Bridge CAL Suite		
Microsoft System Center Configuration Manager CML						
Microsoft System Center Endpoint Protection CAL						
Windows Server® Operating System CAL						
Microsoft System Center Client Management Suite						
UAG						
Active Directory® RMS						
Windows Desktop Operating System w/ MDOP (device-based)	1500	\$ 36	\$ 54,000	1500	\$ 36	\$ 54,000
<b>Total</b>			\$ 286,260			\$ 261,008

## 2. Existing eCAL Platform EA traditional or Office 365, Dept. of Ecology

Traditional vs Office 365 Licensing Comparison-Ecology						
<i>Note: final pricing will come directly from the State's reseller, Compucom.</i>						
Product	Traditional Licensing			Office 365 licensing		
	Current EA Count	Cost	Total	O365 Count	Cost	Total
Office 365 - (user-based)				1756	\$ 143	\$ 250,564
Office Professional by desktop (device-based)	1899	\$ 79	\$ 150,021	Included in O365		
Enterprise CAL Suite (Step up from Core CAL) (user-based)	1756	\$ 83	\$ 145,748			
Microsoft Exchange Server Standard CAL				Included in eCAL Suite		
Microsoft Exchange Server Enterprise CAL with Services						
Microsoft Lync® Server Communications Software Standard CAL						
Microsoft Lync Server Enterprise CAL						
Microsoft SharePoint® Server Standard CAL						
Microsoft SharePoint Server Enterprise CAL						
Exchange Online Archiving						
Enterprise CAL / Bridge CAL Suite (user-based)				1756	\$ 26	\$ 45,656
Microsoft System Center Configuration Manager CML				Included in Bridge CAL Suite		
Microsoft System Center Endpoint Protection CAL						
Windows Server® Operating System CAL						
Microsoft System Center Client Management Suite						
UAG						
Active Directory® RMS						
Windows Desktop Operating System w/ MDOP (device-based)	1899	\$ 36	\$ 68,364			
<b>Total</b>			\$ 364,133			\$ 364,584

### 3. Hybrid scenario where part of the organization shares a workstation-Dept. of Corrections

Traditional vs Office 365 Licensing Comparison-Dept of Corrections									
<i>Note: final pricing will come directly from the WA State Dept of Enterprise Services</i>									
Product	Traditional Licensing			Office 365 licensing					
	Current EA Count	Cost	Total	O365 Count	Cost	Total	Current EA Count	Cost	Total
Office 365 with Office Professional - (user-based)				5500	\$ 142	\$ 781,000			
Office Professional by desktop (device-based)	7200	\$ 79	\$ 568,800	Included in O365			1000	\$ 84	\$ 84,000
Office 365 w/o Office Professional - (user based)							3500	\$ 66	\$ 231,000
Core CAL Suite (renew at SA Only)	7200	\$ 35	\$ 252,000				0	\$ 33	\$ -
Enterprise CAL Suite (Step up from Core CAL)	7200	\$ 67	\$ 482,400				0	\$ 57	\$ -
Microsoft Exchange Server Standard CAL	Included in eCAL Suite						Included in eCAL Suite		
Microsoft Exchange Server Enterprise CAL with Services									
Microsoft Lync® Server Communications Software Standard CAL									
Microsoft Lync Server Enterprise CAL									
Microsoft SharePoint® Server Standard CAL									
Microsoft SharePoint® Server Enterprise CAL	7200	\$ 32	\$ 230,400						
Exchange Online Archiving									
Core CAL Bridge for Office 365 (renew at SA Only) (user or device based)				5500	\$ 14	\$ 77,000	1000	\$ 11	\$ 11,000
Enterprise CAL /Bridge CAL Suite (user or device based)				5500	\$ 19	\$ 104,500	1000	\$ 16	\$ 16,000
Microsoft System Center Configuration Manager CML				Included in Bridge CAL Suite					
Microsoft System Center Endpoint Protection CAL									
Windows Server® Operating System CAL									
Microsoft System Center Client Management Suite									
UAG									
Active Directory® RMS									
Windows Desktop Operating System w/MDOP (device-based)	7200	\$ 36	\$ 259,200	6200	\$ 36	\$ 223,200	1000	\$ 36	\$ 36,000
<b>Total</b>						<b>\$1,185,700</b>			<b>\$ 147,000</b>
			<b>\$ 1,792,800</b>						<b>\$ 1,332,700</b>