



John M. Smith
IT Director
Goodhue County

509 W. Fifth St.
Red Wing, MN 55066
Phone – (651) 385-3224
Fax – (651) 267-4870

Date: September 17, 2024

To: The Honorable County Commissioners

From: John M. Smith, IT Director

RE: Microsoft Enterprise Agreement and 365 Subscription Renewal

REPORT SUMMARY

Approve a 3-year renewal of Microsoft Enterprise Agreement and Microsoft 365 Subscription to provide licensing of server and client software on all county computers

BACKGROUND

Since 2012, the county has licensed Microsoft software through the “Enterprise Agreement” plan. This provides significant discounts from “list” price and includes all updates and patches to all software included in the agreement. This agreement must be renewed every 3 years.

In 2022, the county also migrated to the Microsoft 365 Cloud environment for e-mail and the added benefits of Microsoft Teams, OneDrive, SharePoint, and more. These services are considered a subscription but are licensed and invoiced along with the Microsoft Enterprise Agreement software.

IMPACT

Year 1, of a new 3-year commitment, will be \$191,423.85 payable in November of 2024. Payments in years 2 and 3 may increase based on changes or additions to the software used by the county. The IT Department has budgeted \$200,000 in 2024, and \$225,000 in 2025 to account for increased usage and additional features.

Continuing the subscription to Microsoft Cloud applications is critical to continuing operations of the county. The county must also maintain rights to Microsoft Enterprise software – Windows Server, SQL Server, Remote Access Server, etc. – to continue to receive updates bug fixes, and security patches.

RECOMMENDATION

It is recommended that the county authorize the renewal of the Microsoft Enterprise and 365 Cloud Agreement for an initial first-year payment of \$191,423.85.