

Committee Report

Management Committee



Committee Meeting Date: March 12, 2025

For the Metropolitan Council: March 26, 2025

Business Item: 2025-75

Microsoft Enterprise Licensing and Cloud Renewal, Contract 25P051

Proposed action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute contract 25P051 with SHI International for Microsoft licenses, support of Windows, Office 365, SharePoint and Azure cloud services in an amount not to exceed \$32,500,000.

Summary of Management Committee discussion/questions

Information Services Chief Information Officer (CIO) Gretchen White presented the item with an overview of Microsoft products. In addition, she provided background on how SHI is a value-added software reseller. Committee Chair Johnson asked the question if the Council is considered a heavy Azure cloud user. CIO White confirmed that the Council has seen significant growth in Azure cloud use with over half of the \$32M request being for cloud services. She then added that in the future, the use of Azure cloud services will assist the Council with cost transparency. In addition, using cloud services provides risk reduction by having Microsoft be the expert in managing a physical data center, rather than the Council.

Moved by Barber, seconded by Osman; Motion Carried



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District(s), Member(s):	All
Policy/Legal Reference:	FM 14-2, Expenditures for the Procurement of Goods, Services, and Real Estate Policy; Minn. Stat. §471.345
Staff Prepared/Presented:	Gretchen White, Chief Information Officer, Information Services (IS), 651-602-1443
Division/Department:	Regional Administration/Information Services

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute contract 25P051 with SHI International for Microsoft licenses, support of Windows, Office 365, SharePoint and Azure cloud services in an amount not to exceed \$32,500,000.

Background

The IS Department is currently negotiating a three-year renewal of the Microsoft Enterprise Agreement with SHI International for Microsoft licensing and Azure services. The licensing under this renewal includes all Microsoft Tools and Applications such as server operating systems, Office 365 products, SQL server databases, and SharePoint.

The Azure cloud platform offers a variety of services to help build, run, and manage applications, and supports the Council's goal of migrating more systems to the cloud. Approximately \$18,200,000 of the \$32,500,000 is specifically allocated to cover the costs of Azure cloud services.

The term of renewal is May 1, 2025, to April 30, 2028. To procure the software and cloud products, the Council will utilize State of Minnesota Contract Release S-1079(5) which is a multi-vendor cooperative agreement for purchasing software through resellers. The Council has statutory authority under Minnesota Statutes §471.345 to utilize such cooperative service agreements.

Rationale

The execution of a contract exceeding \$500,000 requires approved by the Council.

Thrive Lens Analysis

This action advances the Thrive outcome of Stewardship and Sustainability by ensuring reliability, resilience, security and cost-effectiveness of the Council's computers, servers and cloud services.

Funding

Funding for this enterprise agreement is included in the Information Services operating budget.

Small Business Inclusion

The Office of Equity and Equal Opportunity did not review for, or establish a Metropolitan Council Underutilized Business (MCUB) goal as this contract will be procured utilizing a state contract as listed above.

