

Item Title: Three-Year Agreement with SHI International Corp. for Microsoft Licensing

Specific Action Requested:

That the Board of Commissioners approves a thirty-six-month Enterprise Licensing Agreement through SHI International Corp. to provide licensing for Microsoft Office 365, Windows Enterprise, Server, and SQL. The request is to authorize the County Manager to execute a contract on behalf of Wake County for this agreement.

Item Summary:

Purpose: The Board of Commissioners must approve all multi-year contracts entered by the County.

Background: The county uses Microsoft software for end-user computers, office productivity tools, as well as backend servers and databases. The Enterprise Licensing Agreement will provide licensing for a thirty-six-month term.

Strategic Plan: This action supports the strategic plan's focus area of Foundations of Service.

Fiscal Impact: \$2,900,000 is included in the FY 2027 Information Technology General Fund budget for the first year of the licensing agreement. No additional appropriation is required. The total of the thirty-six-month agreement is approximately \$7,800,000, and the funds for future years will be included as part of the annual budget development process.

Additional Information:

The Information Technology (IT) Department is responsible for ensuring that licenses for all computer system components are properly maintained and upgraded as required by specific vendor agreements and to maintain proper network security.

The County uses Microsoft operating systems for personal computers as well as the majority of servers in the County data center. The County also uses Microsoft Office 365 for cloud-based productivity applications including Exchange Online for email, SharePoint Online for collaboration, Teams for unified communications, as well as access to the online and desktop Microsoft Office software suite. The Enterprise Agreement also includes Windows Enterprise licensing which allows the County to maintain current versions of the Windows Operating System. This is particularly important with the increased cadence of major Windows updates and shortened lifecycles.

This agreement provides the County volume-level pricing for purchasing licenses and "software assurance", a support add-on for the specified products that also provides the

ability to upgrade to the latest software version without repurchasing the newer product. In order to continue access to volume pricing and allow the County to continue software assurance on the licenses purchased under the previous agreements, the County wishes to enter into a new thirty-six-month agreement with Microsoft. This will preserve entitlement to the latest software versions, which is very important both from an operational standpoint and from the standpoint of maintaining network security.

The Enterprise Agreement will leverage NC DIT contract 208C, with SHI International Corp. as the named ordering vendor. Enterprise Agreements lock in negotiated pricing but do not establish a fixed purchase amount. Annual costs will vary based on quantity of licenses consumed by the County. Based on current licensing, the County's annual spend will be approximately \$2,600,000 for a three-year total of \$7,800,000. Microsoft only offers three-year terms for Enterprise Agreements; therefore, a new agreement will need to be signed in 2029. The County has the right to terminate this Agreement, without cause, upon 60 days' written notice.

Payment Due Date	Term	Amount
9/1/2026	12 months	Approximately \$2,600,000
9/1/2027	12 months	Approximately \$2,600,000
9/1/2028	12 months	Approximately \$2,600,000

Additional licenses covered by the Enterprise Agreement can be procured as needed at the contract rate.

Attachments:

None.