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Board of Health Action Sheet

August 26, 2019

ADMINISTRATOR: Melissa Bowerman
Director of Administrative Services

SUBJECT: Agency Software Replacement to Office 365

☐ Information Only ☒ Action Needed

I. Authority For This Action:

- ☐ Local Policy
☒ Law or Rule Public Health Code, Act 368 of 1978, MCL 333.2417

II. Summary:

(Previous board action relating to this item? Background information and if any future action anticipated.)

This is a proposal to transition the agency's current business software from Microsoft Office 2010 to Office 365. The costs of this migration are analyzed below. There are three main reasons we need to do this:

1. For the past nine years, the Mid-Michigan District Health Department (MMDHD) has used Microsoft Office 2010 which includes software such as Word, Excel, PowerPoint, Outlook etc. Office 2010 has not introduced any new features since the agency purchased it. Recently, there have been issues with the use of Office 2010 because it has become incompatible with other applications we use.
2. Additionally, Microsoft has stated that on October 13, 2020, Office 2010 will reach the end of its support. This means Microsoft will no longer provide technical support or software and security updates. This means MMDHD would become even more vulnerable to hacking or ransomware attacks.
3. Office 2010 does not provide the level of encryption necessary for handling HIPAA protected medical information. Without proper encryption we are vulnerable to data breaches and possible legal action.

III. Strategic Objective, Health Issue, or other Need Addressed:

(What priority should be given in relation to goals? Include reason for recommending change in priorities and how the need will be introduced into planning process.)

The age of Office 2010 results in lost productivity and the end of the support in October of 2020 will leave the agency vulnerable. Therefore, I

propose that the agency move forward with purchasing Office 365. There are many benefits to moving to this software which include:

- Mobility – Cloud based system which allows for the ability to access and share files securely from anywhere. Emails and documents can be accessed as long as there is an internet connection. As the agency has become more mobile, this is a benefit that will result in increased efficiency and security.
- Collaboration – Documents can be edited in real time, rather than having multiple copies. Versioning is also included so that you can go back to a prior version if needed.
- Updates – Office 365 is cloud based which means that access to the latest version is always available at no additional cost.
- Security – Information protection technologies in Office 365 help ensure that important data stays secure and only the right people have access to it. There are customizable policies that allow the agency to protect sensitive messages and flag sensitive data types. Message Encryption helps protect sensitive data reducing the risk of inappropriate sharing and data breaches. Office 365 data loss prevention tools would preserve our data in the cloud in the event of a ransomware attack.

IV. Fiscal Impact and Cost:

(Immediate, ongoing, and future impact.)

The agency uses CDW-Government (CDW-G) to manage our software purchases. CDW-G provides a level of expertise we do not have and bundles purchases together to save money. The agency received a quote from CDW-Government of \$49,896 for the cost of Office 365 licenses for a three-year subscription (attached). The total cost breaks down to \$221.76 annually for each of the 75 users, or \$16,632 per year. The cost is paid as a subscription rather than a one-time software purchase. Additionally, there is a migration cost estimated from CDW-G at \$12,000 that is a one-time cost (attached). The total for the three years would be approximately \$62,000.

There are options for funding this software. The Michigan Municipal Risk Management Authority (MMRMA) distributions which we reported last month totaled \$26,347 and would mostly pay for the first year. The agency will pay the three-year cost up front but will treat the additional two years as a prepaid expense; so the costs could be handled through the normal budget process after that.

V. Alternatives Considered:

(Scope of options reviewed. Reasons for rejecting alternatives.)

Another quote was obtained that would have been approximately \$20,000 more for the three years than the CDW estimate stated above.

The other option is to not upgrade at this time; however, that will result in more vulnerabilities, lost productivity, and compatibility issues that will likely result in higher costs in the long run.

VI. Recommendation:

(Advantages/benefits of proposal. Expected results. Possible problems or disadvantages of proposal. Effect of action on agency. Consequences of not approving recommendation or taking action.)

I recommend that the BOH authorize the purchase of Office 365 at a cost not to exceed \$50,000 for a three-year subscription with an additional authorization for a one-time migration cost of \$12,000. If the migration costs more than initially estimated or any additional costs will be incurred, which is unlikely, we will return to the BOH for authorization for the additional costs.

VII. Monitoring and Reporting Time Line:

(Evaluation method and timeline. Next report to the Board.)

If the Board approves, we will keep you apprised of our progress and of how the system performs.