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Multi-Billion Dollar GSA OneGov Agreement with Microsoft Brings Steep Discounts for Microsoft 365, Copilot, and Azure Cloud Services

The agreement enables agencies to leverage the benefits of a unified pricing approach to drive down costs and increase innovation, helping propel the U.S. federal workforce into the AI era

WASHINGTON — Today, the U.S. General Services Administration (GSA) announced a significant advancement in its [OneGov Strategy](#) with a new agreement with Microsoft to lower costs for critical infrastructure and power the next era of AI and interoperability for the federal government.

Through this strategic partnership, Microsoft will provide discounts across its suite of cloud services, including; Microsoft 365, Copilot, Azure Cloud Services, Dynamics 365, as well as cybersecurity and monitoring tools, with potential savings of \$3.1 billion in the first year. Most notably, the offer makes Microsoft 365 Copilot available at no cost for up to 12 months for Microsoft G5 customers. The agreement will enable agencies to leverage the benefits of a unified pricing approach to drive down costs and increase innovation while propelling the country into the AI era.

“GSA is proud to partner with technology companies, like Microsoft, to advance AI adoption across the federal government, a key priority of the Trump Administration,” **said GSA Deputy Administrator Stephen Ehikian**. “We urge our federal partners to leverage these agreements, providing government workers with transformative AI tools that streamline operations, cut costs, and enhance results.”

“GSA is accelerating access to AI for federal agencies and delivering on the President’s AI Action Plan,” **said FAS Commissioner Josh Gruenbaum**. “OneGov represents a paradigm shift in federal procurement that is leading to immense cost savings, achieved by leveraging the purchasing power of the entire federal government. We appreciate Microsoft’s partnership in this modernization and its commitment toward an interoperable digital federal ecosystem.”

“For more than four decades, Microsoft has partnered with the U.S. Government to serve the American people,” **said Satya Nadella, Chairman and CEO, Microsoft**. “With this new agreement with the U.S. General Services Administration, including a no-cost Microsoft 365 Copilot offer, we will help federal agencies use AI and digital technologies to improve citizen services, strengthen security, and save taxpayers more than \$3 billion in the first year alone.”

“As GSA seeks to transform government in this new era of AI, Microsoft is committed to leading as the government’s essential partner in delivering the tools necessary to help federal agencies harness the power of AI to advance the public good,” **said Chris Barry, Corporate Vice President, US Public Sector Industries, Microsoft**.

As part of the deal, Microsoft will provide **blended discounts on a new U.S. Government exclusive Microsoft 365 + Copilot Suite** that includes M365 Copilot available at no cost for the first year for Microsoft G5 customers with substantial discounts in subsequent years.

Microsoft 365 G3 and G5 are government-specific licensing plans with different levels of security and features. G5 is specifically designed for environments needing advanced security and includes additional features like real-time intelligence reporting, threat protection, Power BI Pro, and advanced enterprise telephony capabilities.

Additional offerings through the agreement include significant discounts for:

- **Microsoft Sentinel and Azure Monitoring.**
- **Entra ID Governance** as part of GSA’s and our industry partner’s commitment to working on tenant-to-tenant interoperability issues.
- **Dynamics 365** at no cost for up to one year for eligible workloads.
- **Implementation, Adoption, and Optimization Workshops.**

Federal agencies can opt-in to any or all of these offers through September 2026 with discounted pricing available for up to 36 months for certain products.

Building upon the White House’s vision for responsible AI innovation outlined in [America’s AI Action Plan](#) , this groundbreaking collaboration propels the United States to the forefront of government AI integration worldwide. By equipping federal employees with cutting-edge AI tools, this initiative empowers them to revolutionize operational efficiency, enhance the accuracy and speed of decision-making processes, and ultimately provide superior services and value to the American people.

This agreement is another significant step in the federal government’s ongoing digital transformation, broadening access to AI tools for federal agencies. By providing innovative and cost-effective solutions, GSA empowers agencies to modernize at the speed of their mission, ensuring they thrive in the rapidly evolving, AI-driven landscape of modern governance.

For more details on each of these offerings, refer to the [OneGov Homepage](#) .

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About GSA: GSA provides centralized procurement and shared services for the federal government. GSA manages a nationwide real estate portfolio of over 360 million rentable square feet, oversees more than \$110 billion in products and services via federal contracts, and delivers technology services that serve millions of people across dozens of federal agencies. GSA’s mission is to deliver the best customer experience and value in real estate, acquisition, and technology services to the government and the American people. For more information, visit [GSA.gov](#) and follow us at [@USGSA](#) .

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