



Monterey County

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Board Report

Legistar File Number: A 15-307

August 25, 2015

Introduced: 8/18/2015

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

- a. Approve and authorize the Contracts Purchasing Officer to execute, on behalf of the County of Monterey, a non-standard software license agreement with Splunk, Inc., for the purchase of additional data analysis, and a software maintenance and support agreement, in the total amount of \$53,484.66 for the period of September 1, 2015 through June 30, 2018;
- b. Accept non-standard provisions as recommended by the Director of Information Technology; and
- c. Authorize the Contracts/Purchasing Officer to sign no more than three (3) future renewals of both the software license agreement and the software maintenance and support agreement, for a period of one (1) year per renewal, provided increases in the renewals are limited, cumulatively, to no more than ten percent (10%) of the original authorized contract amount (\$5,348.46 total) and provided there are no significant changes to the non-standard language approved by the Board.

RECOMMENDATION:

- a. Approve and authorize the Contracts Purchasing Officer to execute, on behalf of the County of Monterey, a non-standard software license agreement with Splunk, Inc., for the purchase of additional data analysis, and a software maintenance and support agreement, in the total amount of \$53,484.66 for the period of September 1, 2015 through June 30, 2018;
- b. Accept non-standard provisions as recommended by the Director of Information Technology; and
- c. Authorize the Contracts/Purchasing Officer to sign no more than three (3) future renewals of both the software license agreement and the software maintenance and support agreement, for a period of one (1) year per renewal, provided increases in the renewals are limited, cumulatively, to no more than ten percent (10%) of the original authorized contract amount (\$5,348.46 total) and provided there are no significant changes to the non-standard language approved by the Board.

SUMMARY/DISCUSSION:

The Monterey County Information Technology Department (ITD) has utilized the Splunk application since 2007 for County network indexing and as a central repository for logged events throughout the County for both security and non-security events. The Splunk application captures, indexes, and correlates real-time data in a searchable repository from which quantitative reporting can be generated. The reporting capability made possible by the data indexing features of the Splunk application allow ITD to better manage all County network applications, to ensure network security and legal compliance, and to troubleshoot infrastructure issues which may arise in the County network. Using the Splunk application, ITD can generate reports, graphs, dashboards, and other visualizations to analyze data patterns, identify key network metrics, and diagnose problems across multidisciplinary applications across the County

network.

In 2010, the County upgraded the Splunk software license agreement, providing for 10 gigabytes of data analysis per day and the Splunk software maintenance/support agreement, which provides software updates, fixes, and technical support/maintenance on a yearly basis. Due to County growth, with corresponding increases in security and other technical requirements, 10 additional gigabytes of daily data analysis is needed as well as corresponding software maintenance/support services.

The specific time periods and amounts of the recommended purchase are set forth in the attachment entitled "Splunk Software Licensing and Support-Specifications/Compensation." The agreements before the Board utilize Splunk, Inc.'s contract terms and therefore contain numerous non-standard provisions. The Director of the Information Technology Department finds that the terms stated in the agreements are standard in the software industry and poses minimal risk due to the fact that the County owns and manages the hardware on which the software is installed. Moreover, the County has years of positive, prior experience with this well-established software company. Thus, the Director of the Information Technology Department recommends that the Board approve the Splunk software license and support/maintenance agreements to ensure the County has the benefit of the additional 10 gigabytes of data analysis it needs as well as continuous updates for this important software.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed the software license and support/maintenance agreements as to form and does not approve based upon the following non-standard provisions: Automatic renewal (evergreen) provisions with vendor right to set prices unilaterally; vendor right to unilaterally change terms and conditions of services and to terminate specific services; vendor right to publicize and advertise County purchases; vendor right to assign contract obligations; vendor disclaimer of all warranties, including warranty of software to perform as intended; limitations on vendor's liability; limitations on types of damages available to County; limitations on amount of damages available to County to amounts paid in prior 12 months; limitations on remedies available to County to software repair or replacement; requirement that County indemnify, defend and hold vendor harmless in particular circumstances; vendor's right to unilaterally terminate contract services; vendor's right to discontinue the manufacture and development of the licensed software; vendor's right to audit County's use of software license and County's obligation to pay audit costs and additional fees determined by vendor; venue for disputes in federal or state courts located in San Francisco; litigation costs, investigation costs, and attorneys' fees provisions.

Risk will not approve non-standard indemnity provisions. Vendor has no obligation to provide insurance coverage to County.

FINANCING:

The funds for payment of this Agreement have been included in the FY 2015-16 Recommended Budget for the Information Technology Department, ITD 1930, Unit 8437, Appropriation Unit INF002. Transactions relating to future fiscal years will be included in each respective Recommended Budgets. Should funding be reduced and/or terminated, the County may terminate this agreement by giving thirty (30) days written notice of such action to the

Contractor.

Prepared by: Elizabeth Crooke, Management Analyst III, 755-5108

Approved by: Dianah Neff, Director of Information Technology, 759-6923

Attachments:

1. Splunk Software License Agreement
2. Splunk Software License Agreement Specifications Compensation