



Monterey County

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Board Report

Legistar File Number: A 18-202

June 05, 2018

Introduced: 5/22/2018

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

- a. Authorize the Director of Information Technology or his designee to execute a non-standard IBM Client Relationship Agreement and Master Services Attachment for ServiceElite and associated schedules, for software licensing/support and hardware maintenance/support of IBM equipment held by the County, in the aggregate amount of \$975,000 over a three-year term, not to exceed \$325,000 per fiscal year, effective July 1, 2018 through June 30, 2021; and
- b. Accept non-standard language in the Agreement provided by the vendor as recommended by the Director of Information Technology.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Authorize the Director of Information Technology or his designee to execute a non-standard IBM Client Relationship Agreement and Master Services Attachment for ServiceElite and associated schedules, for software licensing/support and hardware maintenance/support of IBM equipment held by the County, in the aggregate amount of \$975,000 over a three-year term, not to exceed \$325,000 per fiscal year, effective July 1, 2018 through June 30, 2021; and
- b. Accept non-standard language in the Agreement provided by the vendor as recommended by the Director of Information Technology.

SUMMARY/DISCUSSION:

IBM, Inc. is a vendor that has provided software licensing/support and hardware maintenance/support to the County of Monterey since 1990. This support has been provided for products purchased directly from IBM, Inc. or through a third-party vendor.

The proposed agreement allows the County of Monterey the flexibility to determine the level of services and support needed and expenses occur on an "as incurred" annual basis. Currently, given the amount of IBM equipment held by the County and the various levels of service required, the cost of this agreement for FY 2018-2019 is approximately \$323,000. The not-to-exceed authority allows for flexibility if additional equipment requiring this support and maintenance is acquired during the term of the Agreement.

The Information Technology Department (ITD) receives a yearly list of IBM software and/or hardware to be covered under the service agreement and will have the option to remove items from the list if the software/hardware was removed from the inventory and support and maintenance is no longer needed. The County will only pay support maintenance cost for software/hardware which is deployed and will not be required to enter into a new agreement for changes to the software/hardware inventory even if purchased through a third-party vendor.

The proposed agreement is “non-standard” for the County, but is based upon a standard agreement that IBM uses throughout the nation, including other governmental bodies. Based on the County’s past experience with this well-established company, and the fact that the Agreement allows the County to elect not to renew with thirty days’ written notice, the Director of ITD is recommending approval of the document. Per IBM’s internal process, they will sign the Client Relationship Agreement and the Service Attachment after the County. IBM will provide to ITD a fully executed original.

OTHER AGENCY INVOLVEMENT:

County Counsel does not approve the following non-standard provisions: non-standard termination provisions; limitations on warranty; vendor ability to change charges on 3 months’ notice; limits on the type of and amount of damages available to the County; application of New York, not California law; and auto-renewal provisions.

FINANCING:

The funds for payment of this Agreement have been included in the FY2018-2019 Recommended Budget for the Information Technology Department, (Budget Unit 8434, Appropriations Unit INF002). Transactions relating to future years will be included in each respective Recommended Budget.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The approval of this agreement will allow ITD to continue to facilitate the critical support needed for IBM hardware such as servers which support critical county-wide services such as email, voicemail, security, backup and recovery, network management and file sharing. Additionally, this agreement provides for support to constituent services such as E911 Computer Aided Dispatch and other law enforcement applications as well as highly-available central data storage systems used to store departmental data.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

Prepared by: Lynnette Beardsall, Management Analyst II, 759-6938

Approved by:

_____ Date: _____
Eric A. Chatham, Director of Information Technology, 759-6920

Attachments: IBM Services Attachment for ServiceElite; IBM Client Relationship Agreement

Attachments on file with the Clerk of the Board