



# Monterey County

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## Board Report

Legistar File Number: A 15-190

June 23, 2015

**Introduced:** 6/8/2015

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** BoS Agreement

- a. Authorize the Contracts/Purchasing Officer to execute a State and Local Agency Enterprise Enrollment Volume Licensing Agreement with PCM-G, a Microsoft licensing reseller, for the provision of the Microsoft Office 365 Gov E3 volume licensing subscription for the period of July 1, 2015 through June 30, 2018, with an annual cost of \$703,751.44, and a maximum amount of \$2,111,254.32;
- b. Accept non-standard contract provisions as recommended by the Director of the Information Technology Department;
- c. Authorize the Director of Information Technology to purchase additional licenses on an annual basis during the term of the Agreement, to accommodate increases in the number of County employees and other personnel/agents, to a maximum of 15 percent of 3,892 licenses, in the aggregate (583); and
- d. Authorize the Contracts/Purchasing Officer to issue purchase orders on an as-needed basis pursuant this Agreement over the period of July 1, 2015 through June 30, 2018.

### RECOMMENDATIONS:

It is recommended that the Board of Supervisors:

- a. Authorize the Contracts/Purchasing Officer to execute a State and Local Agency Enterprise Enrollment Volume Licensing Agreement with PCM-G, a Microsoft licensing reseller, for the provision of the Microsoft Office 365 Gov E3 volume licensing subscription for the period of July 1, 2015 through June 30, 2018, with an annual cost of \$703,751.44, and a maximum amount of \$2,111,254.32;
- b. Accept non-standard contract provisions as recommended by the Director of the Information Technology Department;
- c. Authorize the Director of Information Technology to purchase additional licenses on an annual basis during the term of the Agreement, to accommodate increases in the number of County employees and other personnel/agents, to a maximum of 15 percent of 3,892 licenses, in the aggregate (583); and
- d. Authorize the Contracts/Purchasing Officer to issue purchase orders on an as-needed basis pursuant to this Agreement over the period of July 1, 2015 through June 30, 2018.

### SUMMARY

It is requested that the Board authorize the Contracts/Purchasing Officer to sign a non-standard State and Local Agency Enterprise Enrollment Volume Licensing Agreement (Agreement) with PCM-G, a Microsoft licensing reseller, for the provision of the Microsoft Office 365 Gov E3 volume licensing subscription and to issue purchase orders on an "as needed" basis, in the aggregate amount not to exceed \$2,111,255 over the period of July 1, 2015 through June 30, 2018. It is also requested that the Board authorize the purchase of additional licenses, as stated, to accommodate growth in the County workforce.

DISCUSSION:

Since 1990, software, licensing, subscription and maintenance have been provided directly through Microsoft or through an authorized third-party Microsoft vendor. Under the Office 365 Gov E3 subscription, the County will receive automatic upgrades to the latest version of Microsoft Office and Office Web Applications for all County employees for the life of the subscription. In addition, all County employees will be licensed to use the enterprise version of Microsoft SharePoint and will be authorized to load Microsoft Office Professional on up to five (5) additional County owned devices like laptop and tablet computers at no additional cost. The Microsoft authorized third party reseller to be used for the proposed Agreement is PCM-G. The following are examples of Microsoft products currently used by the County of Monterey: Microsoft Enterprise Mobility Suite (EMS), Office Professional; Project; Visio; Exchange Server for Email; Windows 2008 Server Operating System; CALS; Structured Query Language (SQL) Server; System Center Configuration Manager; SharePoint and Azure Multi Factor Authentication (MFA).

The proposed Agreement is non-standard for the County, but is based upon a standard agreement that Microsoft uses throughout the state and nation for governmental bodies. The proposed Agreement also allows the County to enroll with PCM-G for access to current and future Microsoft Office and Exchange (email) product suites; it provides the County with flexibility to determine the level of services, maintenance/support, and licensing of other Microsoft tools that are necessary to accomplish County business. Based upon the County's past experience with this well-established company, and the fact that the proposed Agreement allows the County to make purchases an "as-needed" basis, the Director of the Information Technology Department (ITD) is recommending approval of this Agreement.

The Information Technology capital improvement initiatives facilitated by the proposed agreement have been reviewed and approved by ITD and the Information Technology Governance Committee.

Under the terms of the proposed Agreement, the County will review the Enterprise Enrollment on a yearly basis, and at the end of the contract period of three years, to identify the software license, subscription, maintenance/support and Microsoft tools needed by the County and to issue payments only for those products needed. The authority requested is for a limited time period, July 1, 2015 through June 30, 2018, to ensure that the Board is provided an opportunity to review progress, as recommended and reported by the Director of ITD, during infrastructure upgrades.

Due to the annual fluctuation of the number of County employees, it is recommended that the Director of Information Technology have the authority to increase the number of licenses on an annual basis by no more than 15% to account for any staff increases reported in the Recommended Budget.

OTHER AGENCY INVOLVEMENT:

The Agreement was not approved by County Counsel due to the presence of the following non-standard and unacceptable terms/conditions in the Agreement: unstated or inadequately stated payment/financial liability provisions; inadequate/unstated vendor performance

standards; referenced and incorporated contract provisions and documents that are not properly identified nor provided for review; and no ability to terminate due to lack of funds. Risk Management can not approve the non-standard insurance and indemnity language.

FINANCING:

As this requested expense is part of the approved ITD CIP for current year, the funds for payment of this Agreement have been included in the FY15-16 Recommended Budget for the Information Technology Department, 1930, Unit 8435, Appropriation unit INF002. As ITD receives no General Fund contribution, reimbursement of expenditure will come from customers benefitting from this project. Customer departments have those funds built into their respective FY 2015-16 budgets as well. Any additional funding requirements over and above customer funding will be pulled from the Workers Compensation Internal Service Fund per Board authorization on July 22, 2014. Future year expenditures were included in the complete ITD Capital Improvement Plan approved by the Capital Improvement Committee on April 7, 2014, and by the Budget Committee on April 30, 2014, with final acceptance by the Board of Supervisors on June 24, 2014. Future year funding will be included in the respective customer budgets for each of the respective fiscal years as is anticipated by each of the customer departments.

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

Approved by:

Dianah Neff, Director of Information Technology, 759-6923

Attachments:

- a. Microsoft Program Signature Form - Agreement #01E73134
- b. Microsoft Enterprise Enrollment
- c. Microsoft Enterprise Enrollment (Indirect) Amendment ID M254
- d. Microsoft Enterprise Enrollment (Indirect) Invoice for Quoted Price Amendment ID M97
- e. Microsoft Enterprise Enrollment Product Selection Form - Proposal ID #0309737.002
- f. Microsoft Enterprise Enrollment Amendment ID M23
- g. PCM-G Quote
- h. Signed 7-22-14 Board Order Resolution 14-230 WC Funding - ITD CIP
- i. Signed 6-24-14 Board Order Report of IT Capital Projects and ITD Capital Replacement Summary by FY