



Monterey County

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Report

Legistar File Number: A 18-158

May 22, 2018

Introduced: 5/2/2018

Version: 1

Current Status: Agenda Ready

Matter Type: BoS Agreement

- a. Authorize the Director of Information Technology 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, 2018 through June 30, 2021, for an annual cost of \$857,604.10, and a total not to exceed amount of \$2,572,812.30 for 4658 County users;
- 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 up to a maximum of 698 additional licenses during the term of the Agreement, to accommodate any increase in the number of County employees and other personnel/agents, at a maximum additional cost of \$12,906.02; and
- d. Authorize the Director of Information Technology to sign purchase orders on an as-needed basis pursuant this Agreement over the period of July 1, 2018 through June 30, 2021.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Authorize the Director of Information Technology 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, 2018 through June 30, 2021, for an annual cost of \$857,604.10, and a total not to exceed amount of \$2,572,812.30 for 4658 County users;
- 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 up to a maximum of 698 additional licenses during the term of the Agreement, to accommodate any increase in the number of County employees and other personnel/agents, at a maximum additional cost of \$12,906.02; and
- d. Authorize the Director of Information Technology to sign purchase orders on an as-needed basis pursuant this Agreement over the period of July 1, 2018 through June 30, 2021.

SUMMARY:

It is requested that the Board authorize the Director of Information Technology to sign a non-standard State and Local Agency Enterprise Enrollment Volume Licensing Agreement (Agreement) with PCM-G, a wholly-owned subsidiary of PCM Inc. and a Microsoft licensing reseller, for the provision of the Microsoft Office 365 Gov E3 volume licensing subscription and to sign purchase orders on an "as needed" basis, in an amount not to exceed \$2,572,812.30 over the period of July 1, 2018 through June 30, 2021. It is also requested that the Board authorize the purchase of additional licenses, as stated, to accommodate potential 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. The County currently licenses 4658 active users (not including Natividad Medical Center).

Under the proposed Office 365 Gov E3 subscription, the County will renew existing Microsoft licenses for 4,658 users. 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 be authorized to load Microsoft Office Professional on up to five 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: 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. The proposed agreement is priced based upon a master contract entered into between Microsoft re-seller PCMG Inc. and Riverside County, allowing the County to take advantage of the price Riverside County negotiated, at 7.5% less than the D tier pricing offered to by default to government customers. Based upon the County's 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.

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, 2018 through June 30, 2021, to ensure that the Board is provided an opportunity to review progress, as recommended and reported by the Director of ITD, during the County's information technology infrastructure upgrades.

Due to the annual fluctuation of the number of County employees, it is recommended that the Director of ITD have the authority to increase the number of licenses, as-needed, by no more than 15% over the term of the agreement to accommodate any staff increases that may occur.

Due to PCM-G internal process, Microsoft will sign after the County. Additionally, the watermark on the Enterprise Enrollment document will be removed upon execution by both parties.

OTHER AGENCY INVOLVEMENT:

County Counsel does not approve the following provisions: Non-standard payment terms, non-standard termination provisions; absence of indemnity and insurance provisions.

FINANCING:

Funding for this Agreement have been included in the FY2018-19 Recommended Budget under the Information Technology Department (Budget Unit 8434, Appropriation Unit INF002). Funding for the remaining years will be included in the requested budgets, as appropriate.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Microsoft Office365 allows the County to provide resilient email, calendaring and collaboration tools that are accessible to County employees from County offices or from any location on the internet. Microsoft's cloud services offer an increased level of redundancy and resiliency compared to services hosted by the County.

☐ 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: PCMG Microsoft Office 365 Agreement

Attachments on file with the Clerk of the Board