



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: A 21-166, **Version:** 1

- a. Approve and authorize the Director of the Information Technology Department to execute the non-standard agreement with a State and Local Agency Server and Cloud Enrollment Agreement with Insight Direct USA, Inc. (Insight), a Microsoft licensing reseller, for Microsoft Office 365 government services, data backup software, subscriptions, and associated maintenance/support, for the period of June 1, 2021 through June 30, 2024, in the maximum amount of \$4,501,582; and
- b. Accept non-standard contract provisions as recommended by the Director of the Information Technology Department; and
- c. Authorize the Director of the Information Technology to sign order confirmation on an as-needed basis pursuant this Agreement over the period of July 1, 2021 through June 30, 2024; and
- d. Approve and authorize the Director of the Information Technology Department to execute up to three (3) amendments to the Agreement, extending the term by one (1) year each, subject to County Counsel approval, provided the terms of the Agreement remain substantially the same and provided the total amount of all extensions does not exceed more than 10% of the original annual cost (\$150,053 maximum additional cost).

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a) Approve and authorize the Director of the Information Technology Department to execute the non-standard agreement with a State and Local Agency Server and Cloud Enrollment Agreement with Insight Direct USA, Inc. (Insight), a Microsoft licensing reseller, for Microsoft Office 365 government services, data backup software, subscriptions, and associated maintenance/support, for the period of June 1, 2021 through June 30, 2024, in the maximum amount of \$4,501,582; and
- b) Accept non-standard contract provisions as recommended by the Director of the Information Technology Department; and
- c) Authorize the Director of the Information Technology to sign order confirmation on an as-needed basis pursuant this Agreement over the period of July 1, 2021 through June 30, 2024.
- d) Approve and authorize the Director of the Information Technology Department to execute up to three (3) amendments to the Agreement, extending the term by one (1) year each, subject to County Counsel approval, provided the terms of the Agreement remain substantially the same and provided the total amount of all extensions does not exceed more than 10% of the original annual cost (\$150,053 maximum additional cost).

SUMMARY:

The County currently provides Microsoft licenses for 3,706 users. The Agreement with Insight will provide 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 additional devices like laptop and tablet computers at no additional cost.

DISCUSSION:

Microsoft products are the County used software package used to conduct business operations. The following are examples of Microsoft products currently used by the County of Monterey: Office Professional; Project; Visio; Exchange Server for Email; Windows 2019 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 Insight 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 and Riverside County, allowing Monterey 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.

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, as-needed, by no more than 10% over the term of the agreement to accommodate any staff increases that may occur.

The proposed Agreement continues to allow the County to make purchases on an "as-needed" basis, the Director of ITD is recommending approval of this Agreement.

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:

The funds for payment of this Agreement have been included in the FY20-21 and FY21-22 Recommended Budget for the Information Technology Department, 1930, Unit 8433, Appropriation unit INF002. All future year costs will be included in the submitted budget for each of the respective fiscal years.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Microsoft Office365 allows the County of Monterey 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: Sandra Shaffer, Management Analyst III, 759-6957

Approved by:

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

Attachments:

Microsoft Volume Licensing Agreement

Insight Order Form

Attachments are on file with the Clerk of the Board