



# County of Monterey

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

## Board Report

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**File #:** A 16-073, **Version:** 1

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- a. Approve and authorize the Director of Information Technology to execute a services agreement and associated schedules, equipment inventories and similar, with Lenovo Inc. for hardware maintenance and support of County-owned Lenovo equipment in the aggregate maximum amount of \$900,000, not to exceed \$300,000 per year, effective March 15, 2016 through March 14, 2019;
- b. Accept non-standard language in the agreement provided by Lenovo Inc. as recommended by the Director of Information Technology; and
- c. Authorize the Contracts/Purchasing Officer or the Contracts Purchasing Supervisor to issue purchase orders on an as-needed basis over the next three years as recommended by the Director of Information Technology.

### RECOMMENDATIONS:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Director of Information Technology to execute a services agreement and associated schedules, equipment inventories and similar, with Lenovo Inc. for hardware maintenance and support of County-owned Lenovo equipment in the aggregate maximum amount of \$900,000, not to exceed \$300,000 per year, effective March 15, 2016 through March 14, 2019;
- b. Accept non-standard language in the agreement provided by Lenovo Inc. as recommended by the Director of Information Technology; and
- c. Authorize the Contracts/Purchasing Officer or the Contracts Purchasing Supervisor to issue purchase orders on an as-needed basis over the next three years as recommended by the Director of Information Technology.

### SUMMARY/DISCUSSION:

Lenovo Inc. is a vendor that has provided hardware maintenance/support of County-owned Lenovo equipment to the County of Monterey since 2010. Lenovo Inc. acquired the IBM X Series server line to include hardware support services. This support has been provided for products purchased directly from Lenovo Inc. or purchased through a third party vendor.

The proposed Lenovo Inc. agreement allows the County of Monterey the flexibility to determine the level of services and support needed, and the amount of expense to undertake, on an "as incurred" annual basis. Currently, given the amount of Lenovo equipment held by the County and the various levels of service required, the cost of this agreement is approximately \$100,000 per year, with costs for ensuing years estimated to be approximately \$200,000 each year. The not-to-exceed authority requested allows for flexibility if additional equipment requiring this support and maintenance is acquired during the upcoming three years.

Mainline, or another Lenovo authorized value-added reseller, provides the Information Technology Department (ITD) with a yearly list of Lenovo hardware to be covered under the Service agreement. ITD has the option to remove items from the list if Lenovo equipment has been removed from inventory and is no longer needed by County departments. The County will only pay support/maintenance costs for Lenovo equipment which is deployed. The County will not be required to enter into a new agreement for changes to the Lenovo equipment inventory, even if purchased through a third-party vendor.

The approval of this agreement will provide the critical support needed for Lenovo hardware such as servers which support critical county-wide services; these include email, voicemail, security, backup and recovery, network management, and file sharing. Additionally this agreement will enable support of department specific Lenovo equipment that is used County-wide to provide constituent services; these include the Clerk/Recorder I Series system, Computer Aided Dispatch, and other law enforcement applications. This agreement will enable support of Lenovo equipment such as central data storage systems used to store departmental data.

The proposed agreement is "non-standard" for the County in that it is a standard agreement that Lenovo Inc. uses throughout the state and nation, including with other governmental bodies. Based upon the County's past experience with this well-established company, and the fact that the agreement allows the County to elect not to renew the agreement with a one month written notice, ITD is recommending approval of the agreement.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed the Lenovo agreement and cannot approve based upon the following non-standard provisions: absence of standard insurance and indemnity provisions; limitation on the amount of damages collectible from Lenovo Inc.; limitation on numerous types of Lenovo Inc. liability, including data loss; limits on Lenovo Inc.'s warranty obligations; a two-year statute of limitations to bring suit; and applicability of New York law.

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 8435, Appropriations Unit INF002. Transactions relating to future fiscal years will be included in each respective Recommended Budget. 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: Liz Crooke, 755-5108

Approved by:

Dianah Neff, Director of Information Technology, 759-6923

Attachments:

- Exhibit A, Master Services Attachment # 1
- Exhibit B, Lenovo LCA- County of Monterey

Attachments are on file with the Clerk of the Board.