



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Submitted on:
(COB Stamp)

Department Name: Information Technology
Department No.: 067
Agenda Date: March 10, 2026
Placement: Administrative Agenda
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director(s): Chris Chirgwin, Chief Information Officer (CIO)
Contact: Andre Monostori, Deputy CIO
SUBJECT: Countywide Licensing Agreement with SHI International Corp., for Microsoft 365 Licensing.

County Counsel Concurrence

As to form: Yes

Other Concurrence:

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve and authorize the Chief Information Officer to execute a cooperative agreement with Microsoft Corporation, including a Microsoft Enterprise and Enterprise Subscription Volume Licensing Agreement, leveraging the County of Riverside's Licensed Support Provider (LSP) Agreement ITARC-00929 with SHI International Corp., for Microsoft licenses and services for a 36-month period beginning April 1, 2026, and ending March 31, 2029, in a maximum aggregate amount not to exceed \$7,575,939.24 (Agreement);
- b) Approve and authorize the Chief Information Officer or his designee to execute amendments to the Agreement to increase the amount payable thereunder by an aggregate amount not to exceed 7%, or \$530,315.75, to request additional licenses and services thereunder as needed; and
- c) Determine that the above recommended actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(2)&(5), finding that the actions consist of continuing administrative or maintenance activities, such as purchases for supplies and general policy and procedure making and organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

Summary Text:

The Information Technology Department requests, on behalf of all County departments, the Board approve procurement of Microsoft G5 M365 licensing in accordance with the County of Riverside's cooperative agreement with SHI International Corp. (ITARC-00929) for a 36-month term beginning April 1, 2026.

Discussion:

The County has been utilizing Microsoft software for many years, integrating their products and services into daily operations. Microsoft's suite of tools has become an indispensable part of our IT infrastructure, supporting our growth and innovation at every step. Microsoft 365 G5 licensing gives the County a modern, secure platform that helps employees work together and stay connected. It brings email, calendars, messaging, file sharing, and data reporting into one easy-to-use system, while protecting sensitive information. Our strong partnership with Microsoft helps the County stay competitive, secure, and scalable, and it ensures access to critical software updates, cybersecurity enhancements, and system support, safeguarding operations while driving efficiency, productivity, and innovation. This agreement will ensure the County continues to have access to an industry leading productivity platform.

Background:

In September 2024, the Riverside County Board of Supervisors approved a Licensing Solution Provider (LSP) agreement with SHI International Corp., to provide Microsoft products and services under Riverside's Enterprise Agreement No. 8084445 from November 1, 2024, through October 31, 2027. Enrollment is available to all California governmental entities. Approval supports the Board-approved Countywide IT Strategic Plan, enabling modernization, innovation, and efficiency through Microsoft technologies. The current agreement for G5 licensing is with the California Department of Technology (CDT).

Contract Renewals:

Microsoft will not negotiate its standard terms and conditions, which increases the County's liability exposure. The matter has been reviewed by County Counsel and Risk Management in collaboration with ITD. Risk Management determined that the benefit of this contract offsets the additional exposure.

Fiscal Analysis:

M365 licensing costs are included ITD's annual rate methodology and in departmental budgets for FY 2025–26. These costs will continue to be collected as part of the annual rate methodology and included in future departmental budgets. Staff estimate approximately 47% of these charges will be paid by General Fund sources. The estimates below are based on the current allocation of licenses to General Fund sources. Actual share may change based on actual consumption of licenses by departments.

Annual payments of \$2,525,313.08 will begin April 1, 2026. The total cost of the agreement over the three-year term is \$7,575,939.24. The three-year contract term and the elimination of service fees previously charged by the California Department of Technology (current vendor) are estimated to result in savings of \$102,000 compared to what the cost would have been if procured through CDT. The County of Santa Barbara has a long-standing investment in Microsoft licensing, which provides cost advantages during this renewal. This renewal includes two license types: legacy licenses, acquired prior to moving to M365, and new M365 G5 licenses acquired within the last four years. Legacy licenses are priced at \$528.59 each, while new licenses cost \$578.09 each. Microsoft recognizes the County's ongoing investment by offering legacy licenses at a lower renewal cost.

The County is renewing 4,597 legacy licenses (810 for the Sheriff’s Department and 3,787 for other participating departments) and 165 new licenses (15 for the Sheriff’s Department and 150 for other departments).

The requested contingency funding will be used to procure additional licenses should departments have additional needs.

The agreement includes licensing for all County departments except the Department of Child Support Services (DCSS), which is licensed directly by the State of California.

Funding Source	FY 2025-26	FY 2026-27	FY 2027-28	Total
Estimated General Fund Share	\$1,186,897.15	\$1,186,897.15	\$1,186,897.15	\$3,560,691.45
Estimated Share by Other Funds	1,338,415.93	1,338,415.93	1,338,415.93	4,015,247.79
Fund 1915 ISF Payments	2,525,313.08	2,525,313.08	2,525,313.08	7,575,939.24

Special Instructions:

Please email a copy of the minute order to Kyle Slattery (knslattery@countyofsb.org) and Jason Womack (jwomack@countyofsb.org) with the Information Technology Department.

Attachments:

Attachment A – Microsoft G5 Licensing Agreement with SHI

Contact Information:

Kyle Slattery
Deputy Chief Information Officer
(knslattery@countyofsb.org)