



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

Department Name: Social Services
Department No.: 044
For Agenda Of: 6/7/16
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Daniel Nielson, Social Services Director
Director(s) (805) 346-7101
Contact Info: Lauren Moore, Division Chief (805) 681-4529

SUBJECT: Agreement with Software One, Inc. for Microsoft Enterprise License Agreement

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions: That the Board of Supervisors:

- a) Approve a recommendation from the Department of Social Services to utilize the responses to the County of Riverside's Request for Quote (RFQ) #PUARC-1200 to obtain volume discounting and best pricing to purchase Microsoft Enterprise licenses and products (Attachment 1); and
- b) Approve and authorize the Director of the County of Santa Barbara Department of Social Services to execute the Microsoft Program Signature Form with SoftwareOne, Inc., which incorporates the terms and conditions of the Microsoft Enterprise Enrollment (Number 67175395/X20-12057), the Enterprise Agreement (Number 01E73134), the Enterprise Amendment (Number M97), the Product Selection Form (Number 0461048.004_PSF), and the Supplemental Contact Information Form, for volume licensing of Microsoft products and services in an amount not to exceed \$375,000.00 annually for a total contract price not to exceed \$1,125,000.00 for a period of three years (the "Agreement") (Attachment 2); and
- c) Determine that the actions above are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3), finding that the execution of the Agreement is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment, and where it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment, the activities are not subject to CEQA.

Summary Text:

This item is on the agenda in order to approve the recommendation of the Department of Social Services to utilize County of Riverside's Request for Quote (RFQ) #PUARC-1200 for volume discounting of Microsoft Enterprise licenses and products and to execute an Enterprise Agreement for Microsoft Licensing and Services with SoftwareOne, Inc. This Enterprise Agreement (EA) will ensure that DSS can remain responsive to state mandates.

Price Reasonableness

Because Microsoft only sells their products through resellers, the County of Riverside's Purchasing Department released a Request for Quote #PURAC-1200 on PublicPurchase.com and advertised on the County of Riverside's website to solicit Microsoft Large Account resellers (LARs). This resulted in six (6) LARs responding to the solicitation. The County of Riverside evaluated the responses and selected Insight Public Sector Inc. as their primary LAR for Riverside County. The other five (5) LARs that responded include: CompuCom (now SoftwareOne, Inc.), Dell Marketing, LP., EnPointe Technologies Sales Inc., PC Mall Gov, Inc., and Softchoice Corporation. Other governmental entities have the option to select their own LAR based on their own geographical or other criteria. All of these LARs are authorized to offer a contract to any government entity in California to enroll in the Microsoft Enterprise Agreement through December 31, 2016.

Working with Microsoft, the County of Riverside's Purchasing Department obtained best pricing and developed a customized licensing program that works best for California governmental entities. By participating in the Enterprise Agreement (EA), government agencies are guaranteed to receive the D-7.7% discounts over the next three (3) years. Microsoft typically has 4 pricing levels or tiers for an Enterprise Agreement (A through D), based on the number of seats to be purchased, with a minimum of 250 seats (recently raised to 500). Riverside County has negotiated the best tier pricing with an additional 7.7% discount on top of it. Even though the County of Riverside selected a different LAR, the same pricing terms are available to the County of Santa Barbara if it executes an Enterprise Agreement with SoftwareOne, Inc. If the County does not execute this Enterprise Agreement taking advantage of this pricing, the cost of product licensing would be at a much higher rate.

Various city, county, and state agencies in California have a County of Riverside-based agreement. Signing under the Riverside master would allow DSS to have our own EA with Microsoft that would stand on its own, with our own three (3) year term, and our own set of agreement documents. This sets our true-up pricing for three (3) years, as well as guaranteeing the D-7.7% discount for new additions.

The requested \$375,000.00 annual amount allows DSS to purchase the user or device licenses and various platform products and services required to meet our business needs at an average of \$281.00 per user annually.

Background:

The County of Riverside has been the leader in the negotiations and procurement of the statewide cooperative license purchase agreement for the statewide Microsoft Enterprise software and services. There are 388 government agencies in California that utilize this enterprise agreement.

Through this negotiation process, the County of Riverside has obtained the deepest discounts offered to any governmental agencies, and as a result can be utilized by most of the public entities throughout the State of California, including Santa Barbara County. On December 8, 2009, the Board approved a similar agreement for the use by the County of Santa Barbara Information Technology Department.

The Microsoft Enterprise Agreement is an annual program that covers licensing of standard desktop software (Microsoft Office, Microsoft Windows and Back Office products) and Enterprise Platform products.

DSS has been challenged in the past in consistently maintaining software at current version levels. Microsoft products are the most predominant product used by DSS on all personal computers, and Enterprise Platform products support DSS' basic needs.

In an effort to keep software current and licensed, a maintenance program is provided by Microsoft. A maintenance program will cost less than what DSS would spend upgrading all products once over a three or five-year period. The potential for significant savings exists due to changes in Microsoft licensing policies and potential cost increases of Microsoft products over the next five years.

Some of the key benefits realized from this program are:

- DSS can upgrade to Microsoft product version(s), available as of the contract signing date, as it chooses and when convenient.
- Licensing for the product covered by this program no longer needs to be tracked. Participants merely count the qualified desktops or user counts and true-up with that number of licenses.
- The flexibility to sign-up by user allows for multiple devices, such as smart phones and tablets (i.e., iPhones, iPads. Etc.), and securing only one license, as opposed to multiple licenses.
- Provision of a consistent year-to-year budget for this program in an effort to keep DSS software current, legal and consistent.
- Protection of DSS against Microsoft price increases for the duration of the Enterprise Agreement.
- Complimentary use with other County-wide technology initiatives.

Other State and county agencies are currently using this program. Participating agencies may also order other Microsoft products (such as Window Server, Visio, MS Project) off this contract and receive the same discounting offered for the core desktop licensing for Riverside County. Other counties will have agreement options that best fit their needs including either a three or five year agreement.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Funding Sources	Current FY Cost:	FY 16/17	FY 17/18
General Fund	\$ 16,875.00	\$ 16,875.00	\$ 16,875.00
State	\$ 170,625.00	\$ 170,625.00	\$ 170,625.00
Federal	\$ 187,500.00	\$ 187,500.00	\$ 187,500.00
Fees			\$ -
Other: Fund Balance			\$ -
Total	\$ 375,000.00	\$ 375,000.00	\$ 375,000.00

Narrative:

Funding for this Agreement is approximately 50% Federal, 45.5% State and 4.5% County General Fund. Appropriations for \$375,000.00 annually are included in the Department’s FY 2015/16 Actual and FY16-17, FY17/18 Recommended Budgets.

Key Contract Risks:

The Risk Assessment worksheet has been completed and determined to be Medium Risk. SoftwareOne, Inc. has had a productive relationship with the County. DSS is confident SoftwareOne, Inc. will be able to continue to meet our needs.

Staffing Impacts: None

Legal Positions:

FTEs:

Special Instructions:

Please send one (1) duplicate original Agreement, and a copy of the minute order to:
 Department of Social Services
 Attn: Contracts Coordinator, Emma Duncan
 2125 S. Centerpointe Parkway
 Santa Maria, CA 93455

Attachments:

1. County of Riverside: Approval Letter from California Department of General Services – Software Cooperative Agreement (SCA), SCA-15-0013B, RFQ PUARC-1200 & AWARD, Board Letters – Approval, Notice of Consent to Assign & RIVCO Agreements
2. SoftwareOne, Inc. Agreement Documents

Authored by:

Lauren Moore, IT Division Chief
 Emma Duncan, Contracts Coordinator

cc: