



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: Information Technology
Department No.: 066
For Agenda Of: 12/08/2009
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Sally W. Nagy, Chief Information Officer,
Director Information Technology Department

Contact Info: Daniel Milei, Assistant Director,
Information Technology Department, 568-2671

SUBJECT: Microsoft Enterprise Agreement Update

County Counsel Concurrence

As to form: N/A

Other Concurrence: Purchasing

As to form: Yes

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors receive and file a recommendation from the Information Technology Department to leverage Microsoft licenses enterprise-wide and procure Microsoft products according to the terms and conditions negotiated by the County of Riverside on behalf of CCISDA, the California County Information Systems Directors Association, for an annual amount not to exceed \$1,500,000 for up to five years beginning January 1, 2010.

Summary Text:

Since the late 1990s, the County of Santa Barbara has standardized on Microsoft software for desktop office tools, desktop operating systems, server operating licensing, email, videoconferencing, spam management and special interest products. In 2003, Riverside County, working in conjunction with the California County Information Systems Directors Association (CCISDA), developed a Microsoft Enterprise Agreement available to all California counties that provides optimal pricing for Microsoft products. The County of Santa Barbara has purchased Microsoft products via this agreement since 2003. In 2008, Riverside County established a new Microsoft Enterprise Agreement to replace the previous one. Multiple Santa Barbara County departments have individual contracts with identical terms under this agreement that expire on December 31, 2009, some have agreements which expire at a later date and others buy independently of the Enterprise agreement. The Information Technology Department encourages all departments to participate in a single County of Santa Barbara master

agreement under the terms and conditions of the 2008 Riverside County Enterprise Agreement thereby affording the County the ability to leverage licensing across all departments, guarantee pricing, minimize contract administration costs and spread the investment throughout the length of the contract.

Background:

Since the late 1990s, the County of Santa Barbara has standardized on Microsoft software for desktop office tools such as Word and Excel, desktop operating systems such as XP, server operating licensing, email, videoconferencing, spam management and special interest products including Visio, Project and others. In 2003, Riverside County, working in conjunction with the California County Information Systems Directors Association (CCISDA), developed a Microsoft Enterprise Agreement (EA) available to all California counties that provides optimal pricing for Microsoft products. The County of Santa Barbara has purchased Microsoft products via this agreement since 2003.

In 2008, through a competitively bid process, Riverside County created a new EA to replace the previous one. There are approximately 200,000 California County desktops expected to enroll in the new agreement. This high count allows for a discount of 7.5% off of Microsoft's Level D pricing. Only the Federal government can procure better pricing than that offered by the Riverside/CCISDA agreement.

Multiple Santa Barbara County departments have individual contracts with identical terms under the EA that expire on December 31, 2009, some have agreements which expire at a later date and others buy independently of the EA.

For the past several months, the Information Technology Department has been in discussion with Microsoft researching different licensing options. On the basis of the risks associated with not renewing the contract, the budgetary challenges the County is facing and the challenges and opportunities created by new technology implementation options, the Information Technology Department recommends that all departments join a single County of Santa Barbara master agreement under the terms and conditions of the revised 2008 Riverside County Enterprise Agreement (attached).

By consolidating Microsoft licensing into a single master agreement, the County will create an opportunity to reap the following benefits:

- Share licenses across departments and eliminate the unnecessary expense of buying additional licenses when one department increases staff and another decreases. Currently, licenses purchased under the separate departmental contracts cannot be transferred among departments;
- Avoid costly penalties and potentially embarrassing situations by ensuring that all products are properly identified and licensed;
- Leverage best pricing for special interest products (Visio, Project, and Visual Studio);
- Enable departments on a different renewal cycle to benefit from this agreement;
- Minimize administration costs; and
- Enable all departments to move in unison when new hosting and technology opportunities become available.

Fiscal and Facilities Impacts:

Leveraging licensing among departments should, in aggregate, add flexibility and reduce total licensing costs to the County by eliminating the unnecessary expense of buying additional licenses when one department increases staff and another decreases. In addition, a single master agreement should reduce administrative costs and help mitigate potential contractual risks by ensuring licensing is fully compliant.

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State			
Federal			
Fees			
Other:	\$ 1,500,000.00	\$ 1,500,000.00	\$ -
Total	\$ 1,500,000.00	\$ 1,500,000.00	\$ -

Funding for Microsoft licensing is annually included in departmental budgets as an integral part of their information technology cost of doing business.

Staffing Impacts:

<u>Legal Positions:</u>	<u>FTEs:</u>
0	0

Special Instructions:

Please return an electronic copy of the Minute Order to dmilei@co.santa-barbara.ca.us and one copy of the Minute Order to Purchasing, Attn: John McMillin.

Attachments:

None

Authored by:

Daniel Milei, Assistant Director, Information Technology Department.

cc:

Sally Nagy, Chief Information Officer