



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: April 7, 2026
Placement: Administrative Agenda
Estimated Time: N/A
Continued Item: No
If Yes, date from: N/A
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director: Chris Chirgwin, Chief Information Officer (CIO)
Contact: Andre Monostori, Deputy Chief Information Officer
SUBJECT: Agreement for Services of Independent Contract with BMAK, Inc., dba Compuwave

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 Chair of the Board to execute a five-year agreement with BMAK, Inc., doing business as Compuwave (BMAK), for the procurement of VMware licenses and services in an aggregate amount not to exceed \$1,568,130 beginning April 25, 2026, and ending April 24, 2031 (Agreement);
- b) Approve and authorize the Chief Information Officer to execute amendments to the Agreement to increase the amount payable under thereunder by an aggregate amount not to exceed 5%, or \$78,406.50, 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 (ITD) requests, on behalf of all County departments, the Board approve a five-year Agreement with BMAK for the procurement of VMware licenses and services. As Broadcom's local preferred reseller, Compuwave provided the County with the lowest possible pricing.

Discussion:

VMware is the software platform the County uses to run many different computer systems on shared equipment rather than on individual, dedicated servers. These systems support daily operations for all departments and are essential to delivering services to the public. VMware improves reliability of services, enhances security, and reduces costs by making more efficient use of County resources. It also supports system recovery, routine maintenance, and system updates with minimal disruption to County services. Replacing VMware with an alternative product would require significant time, expense, and retraining, and would also present risks with limited near-term benefit.

The proposed five-year Agreement provides the County with pricing stability and protects against unpredictable annual cost increases. Approval of this agreement will ensure continuity of operations, reduce long-term costs, and support the County's technology infrastructure for the next five years. Staff recommend approval of the five-year VMware renewal as it best serves the County's operational and financial interests.

Background:

The County has been using VMware software since 2009. Prior to Broadcom's acquisition of VMware in November of 2023, year-over-year increases in renewal costs remained predictable. Since the acquisition, costs of VMware products and services have drastically increased. For example, the Fiscal Year 2022-23 renewal was \$30,000. However, in Fiscal Year 2023-24, the renewal cost increased to \$142,128. The Fiscal Year 2024-25 renewal, which was procured under the County's master services agreement with Compuwave, was even higher at \$221,840. Industry experts, such as Gartner and VMware themselves, predict Broadcom's future increases to be as high as 35% per year, so locking in current pricing for the next five years is in the County's best interest, as we are heavily invested in this component of the County's IT infrastructure and a shift to alternative solutions would be significantly more expensive in licensing and soft costs related to retooling our computing environment.

The ongoing escalation in costs led ITD staff to evaluate renewal options with consideration to the changes to VMware's ownership, licensing model, and long-term product direction. This review included discussions with the software vendor, hardware partners, and independent industry advisors, as well as coordination with and approval by the Executive IT Counsel (EITC), ITD Finance, Procurement, and Enterprise Architecture. It was ultimately determined that a multi-year agreement was the best option for the County.

Contract Renewals:

Staff recommend renewal of this service for continuity of a critical component of the County's IT infrastructure. While other options, such as Microsoft Hyper-V, were explored, none were deemed capable of meeting the County's technical requirements, and any such transition to a new service would be a significant and costly undertaking. As the gold standard in the industry, VMware has performed as expected.

Fiscal Analysis:

The proposed agreement caps annual pricing at \$313,000 over a five-year term, resulting in a total cost of approximately \$1.5 million. This cost keeps year-one pricing flat across the contract period. In contrast, industry guidance indicates that annual renewals could increase by as much as 35% year over year. Applying this projected escalation to an annual renewal scenario results in an estimated five-year cost of approximately \$3.0 million. Accordingly, entering into the fixed-rate, multi-year agreement could avoid up to \$1.5 million in costs over the term of the contract if costs continue to rise at the projected rates. VMware licensing costs are included in ITD’s IT Shared Services rates charged to departments for FY 2025-26. Costs will continue to be included in future budgets. Payments will be made annually.

The requested contingency funding will be used to procure additional licenses and services should the need arise. Contingency funding is not included in current or future budgets at this time. A budget revision would be requested if and when a project necessitated licensing expansion.

Funding Source	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	Total
Fund 1915 ISF Payments	\$313,626	\$313,626	\$313,626	\$313,626	\$313,626	\$1,568,130

Annual subscription payments will be made upfront in April of each year, with the final payment made in April 2030 for the subscription year ending April 2031. The table above reflects the fiscal years when payments will be made.

Special Instructions:

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

Attachments:

Attachment A – Agreement with BMAK, Inc., dba Compuwave

Contact Information:

Kyle Slattery
 Deputy Chief Information Officer
knslattery@countyofsb.org