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**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

FROM: Purchasing and Fleet Services and Riverside County Information Technology (RCIT)


SUBMITTAL DATE:
November 2, 2011

SUBJECT: APPROVAL OF MICROSOFT ENTERPRISE AGREEMENT

RECOMMENDED MOTION: That the Board of Supervisors:

1. Authorize County departments to enroll in the statewide renewal of Microsoft Enterprise Agreement (EA), which runs for up to five (5) years, and;
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459.4, to enter in the Master Enterprise Agreement and Premier Support Services without seeking competitive bids, and sign the purchase orders, amendments, and exercise the renewal option based on the availability of fiscal funding that does not change the substantive terms of the purchase, and will not exceed the annual CPI rates.

(Continued on Page 2)



 ROBERT HOWDY SHELL, Director
 Purchasing and Fleet Services



 DEAN DEINES
 Interim Chief Information Officer

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 5,300,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 2,650,000	For Fiscal Year:	11/12

SOURCE OF FUNDS:	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY: Serena Chow
 Serena Chow

County Executive Office Signature

Consent Policy
 Consent Policy

Dep't Recomm.:
 Per Exec. Ofc.:

Prev. Agn. Ref.: 3.33, 6/17/08; 3.55, 6/29/01

District:

Agenda Number:

3.27

FORM APPROVED COUNTY COUNSEL
 BY: NEAL R. KIPNIS
 DATE: 11/3/11

Departmental Concurrence

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 governmental 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 will be utilized by most of the public entities throughout the State of California.

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.

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

In an effort to keep software current and licensed at the County, a maintenance program is provided by Microsoft. A maintenance program will cost less than what departments 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:

- Departments can upgrade to any Microsoft product version as they choose and when convenient.
- Licensing for the products covered by this program no longer need 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 opposed to multiple.
- EA provides a consistent year-to-year budget for this program in an effort to keep County software current, legal, and consistent.
- EA protects the County against Microsoft price increases for the duration of the agreement.
- EA compliments other countywide technology initiatives (PeopleSoft, Exchange, Remedy, and Resumix).

County departments and agencies are currently enrolled in this program. In Fiscal Year 2010/11, the county invested \$3,851,890 for 19,734 desktops enrolled in the program. Departments may also order other Microsoft products (such as Window Server, Visio, MS

BACKGROUND (Continued)

project) off of this contract and receive the same discounting offered for the core desktop licensing for Riverside County. County Departments will have agreement options that best fit their departmental needs including either a three or five year agreement.

PRICE REASONABLENESS

Information Technology and the Purchasing Department, working with Microsoft, determined best pricing and developed a customized licensing program that works best for California Government. The analysis shows that by participating in the Enterprise Agreement (EA), the County can save as much as \$907,686 annually off the retail price and \$4,538,430 over the next five (5) years. The requested \$6 million annual amount allows individual departments to purchase their user or device license and various platform products and services that departments purchase to meet their business needs. The \$6 million is an estimated amount that provides for the purchasing authority off the Microsoft agreement in order to ensure county departments receive all applicable discounts. As with any county purchase, all purchase orders will be processed through County Purchasing for approval.

Because Microsoft only sells their products through resellers, Purchasing released a Request for Quote PURAC-1200, on PublicPurchase.com and advertised on the County's Internet to obtain Microsoft Large Account resellers (LARs), which resulted in six LARs responding to the solicitation. The County evaluated the responses and recommends that Insight Public Sector Inc. be awarded as the primary LAR for Riverside County, and the remaining five, CompuCom Systems, Inc., Dell Marketing, L.P., Enpointe Technologies Sales Inc., PC Mall Gov, Inc., and Softchoice Corporation also be awarded for use by other governmental entities to allow these entities the option to select their LAR based on their own geographical or other criteria. These LARs shall be authorized to offer a contract for any government entity in California to enroll into the Microsoft Enterprise Agreement through December 31, 2016.