

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

437



FROM: Riverside County Information Technology (RCIT)

SUBMITTAL DATE:
August 27, 2014

SUBJECT: Approve the 3-year increase of the Microsoft Enterprise Agreement from a maximum amount of \$6 Million to \$8 Million Annually; All Districts; [\$6 Million increase over 3 years]; Multiple Departmental Funds

RECOMMENDED MOTION: That the Board of Supervisors:

Authorize the Purchasing Agent in accordance with Ordinance 459.4 to increase the existing annual expenditure for the Microsoft Enterprise Agreement from \$6 million to \$8 million.

BACKGROUND:

Summary

Riverside County is the lead agency for the statewide Microsoft Enterprise Agreement that provides for software licensing of Microsoft products and support. Through county negotiations, Riverside County obtained deep discounts that are utilized by most of the public entities throughout the State of California.

Christopher Hans
Interim Chief Information Officer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 2 Million	\$ 2 Million	\$ 6 Million	\$	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$	\$	\$	\$	

SOURCE OF FUNDS: Various Departmental Funds

Budget Adjustment: No
For Fiscal Year: FY14/15

C.E.O. RECOMMENDATION:

APPROVE

BY:
Jennifer L. Sargent

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

Departmental Concurrence

Purchasing:
Mark Seiler, Assistant Director

- A-30
- Positions Added
- 4/5 Vote
- Change Order

Prev. Agn. Ref.: 3.27 11/08/2011

District: All

Agenda Number:

3-85

BACKGROUND:

Summary (continued)

On November 8, 2011 the Board of Supervisors approved a five-year agreement through 2016 with Microsoft for licenses and support. At that time the annual estimated spend for all county departments was \$6 million or \$30 million over five years. As a result of additional Microsoft products and services requested by county departments, an increase is requested to the master agreement to meet business needs of the departments.

Impact on Residents and Businesses

The master agreement provides for maximum discounts as a result of cooperative efforts with various governmental agencies in the State of California.

SUPPLEMENTAL:

Additional Fiscal Information

County departments will be billed for their actual license support and maintenance costs.

Contract History and Price Reasonableness

In 2011, Purchasing release a Request for Quote PUARC-1200 and awarded the Microsoft Enterprise Agreement to six Microsoft Large Account Resellers. As the lead agency that negotiated the statewide contract, Riverside County receives a larger discount than all other participating agencies. There are currently 850 governmental agencies in the State of California that utilize this master agreement.

The requested \$8 million is an estimated annual amount that provides for sufficient purchasing authority for the Microsoft Enterprise Agreement in order to ensure county departments are able to order all products needed to support their business needs. This increase is only a result of the additional volume of licenses needed, not a result of higher rates. The original negotiated discounts remain the same.