

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



**FROM:** Department of Public Social Services and Riverside County  
Information Technology Department

**SUBMITTAL DATE:**  
June 15, 2015

**SUBJECT:** Acceptance of hardware and support services for the two (2) StorSimple network appliances provided by Microsoft at no cost to the County other than taxes, and authorize the Purchasing Agent to sign the Microsoft Enterprise Agreement (EA) Amendment on behalf of DPSS; All Districts [\$27,200 for tax on equipment]. Federal Funding: 52.42%, State Funding: 24.89%; County Funding: 2.4%; Realignment Funding: 19.76%; Other Funding: 0.53%

**RECOMMENDED MOTION:** That the Board of Supervisors:

Approve and accept the hardware and support services for the two (2) StorSimple network appliances provided by Microsoft valued at \$340,000 at no cost to the County other than taxes estimated at \$27,200; and, authorize the Purchasing Agent to sign the DPSS amendment to the Microsoft Enterprise Agreement Enrollment.

**BACKGROUND:**

The Department of Public Social Services (DPSS) and the Riverside County Information Technology (RCIT) Department are in the process of moving from servers and storage to the cloud through Microsoft's Network Storage System Hybrid Cloud Solution.

(Continued on page 2)

*Susan von Zabern*  
Susan von Zabern  
Director, DPSS

*Steve Reneker*  
Steve Reneker  
Chief Information Officer, RCIT

| FINANCIAL DATA  | Current Fiscal Year: | Next Fiscal Year: | Total Cost: | Ongoing Cost: | POLICY/CONSENT<br>(per Exec. Office)  |
|-----------------|----------------------|-------------------|-------------|---------------|---|
| COST            | \$ 0.00              | \$ 27,200         | \$ 27,200   | \$ 0.00       | Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/> |
| NET COUNTY COST | \$ 0.00              | \$ 653            | \$ 653      | \$ 0.00       |   |

**SOURCE OF FUNDS:** Federal Funding: 52.42%, State Funding: 24.89%; County Funding: 2.4%; Realignment Funding: 19.76%; Other Funding: 0.53%

**Budget Adjustment:** No  
**For Fiscal Year:** 14-15/15-16

**C.E.O. RECOMMENDATION:**

APPROVE  
BY: *Jennifer L. Sargent*  
Jennifer L. Sargent

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

PURCHASING & FLEET SERVICES  
Lisa Brandl, Director

FORM APPROVED COUNTY COUNSEL  
BY: *G.P. Priamos* DATE: 6/15/15  
GREGORY P. PRIAMOS  
Departmental Concurrence

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

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

**FORM 11:** Acceptance of hardware and support services for the two (2) StorSimple network appliances provided by Microsoft at no cost to the County other than taxes, and authorize the Purchasing Agent to sign the Amendment to DPSS's Enrollment in the Microsoft Enterprise Agreement (EA); All Districts [\$27,200 for tax on equipment]. Federal Funding: 52.42%, State Funding: 24.89%; County Funding: 2.4%; Realignment Funding: 19.76%; Other Funding: 0.53%

**DATE:** June 15, 2015

**PAGE:** Page 2 of 2

### **BACKGROUND:**

#### **Summary (continued)**

As approved by the Board of Supervisors (Agenda # 3.27, 11/08/11), the Azure Government Cloud Services can be obtained under the Riverside County EA. In order for the system to be fully functional, it requires two (2) network storage array appliances (model #8600) that Microsoft is providing to the County at no cost for the first year. Acceptance of the hardware requires Board approval per County Counsel.

Microsoft's Network Storage System Hybrid Cloud Solution enables DPSS to shift current data storage to an environment that will ensure data integrity and data security for core business systems, while also providing a more cost effective storage system by reducing current and future hardware requirements. Use of the Hybrid Cloud Solution is estimated to create nearly \$800,000 in savings in the first year due to the ability to avoid the purchase of hardware that was scheduled for refresh and to increase current storage capacity. In phases, DPSS anticipates realizing additional savings through the transfer of the physical tape libraries to the cloud and elimination of many of the local servers. Microsoft's Network Storage System organizes data based on utilization, allowing more commonly used data to be readily accessible via the storage arrays and less commonly used data to be stored in the cloud. This approach offers the flexibility to expand capacity without the necessity of increasing hardware to do so. Additionally, this approach enhances data security by having data stored in an off-site, hosted cloud environment.

#### **Impact on Residents and Businesses**

Implementing Microsoft's Network Storage System Hybrid Cloud Solution will assist DPSS and RCIT to deliver services to the residents of Riverside County more efficiently. There is no negative impact on the residents.

### **SUPPLEMENTAL:**

#### **Additional Fiscal Information**

- Azure government services were purchased through the Microsoft EA for \$240,000 during 2015; and projected at \$360,000 for 2016. These costs will be paid to Insight Public Sector, Inc. who is the county awarded vendor for Microsoft products.
- As part of purchasing these Azure services, Microsoft is providing two (2) StorSimple network storage array appliances valued at \$340,000 at no cost and paying for the first year of maintenance support for these network appliances valued at \$55,560. This makes Microsoft's estimated total commitment to the County at \$395,560; the County is obligated to pay taxes estimated at \$27,200
- DPSS has been using Azure since April 2015 under the Microsoft EA and is obligated to pay for the 8-month period ending December 31, 2015. DPSS is currently using Azure and is now awaiting the two (2) hardware StorSimple network appliances to finish building out the solution.
- After the first year, the County will bid out amongst the county-awarded vendors for the annual hardware support of the two (2) StorSimple network appliances.



# Program Signature Form

MBA/MBSA number

Agreement number **01E73134**

000-Jarob-s-780

**Note:** Enter the applicable active numbers associated with the documents below. Microsoft requires the associated active number be indicated here, or listed below as new.

For the purposes of this form, "Customer" can mean the signing entity, Enrolled Affiliate, Government Partner, Institution, or other party entering into a volume licensing program agreement.

This signature form and all contract documents identified in the table below are entered into between the Customer and the Microsoft Affiliate signing, as of the effective date identified below.

| Contract Document  | Number or Code          |
|--|-------------------------|
| <Choose Agreement>   | Document Number or Code |
| <Choose Agreement>   | Document Number or Code |
| <Choose Agreement>   | Document Number or Code |
| <Choose Agreement>   | Document Number or Code |
| <Choose Agreement>   | Document Number or Code |
| <Choose Enrollment/Registration>   | Document Number or Code |
| <Choose Enrollment/Registration>   | Document Number or Code |
| <Choose Enrollment/Registration>   | Document Number or Code |
| <Choose Enrollment/Registration>   | Document Number or Code |
| <Choose Enrollment/Registration>   | Document Number or Code |
| Enterprise Enrollment (Indirect) Invoice for Quoted Price Amendment                  | M97 (6696943)           |
| Enterprise Enrollment Azure Government Services Amendment                            | M271 (6696943)          |
| Microsoft Azure Amendment for StorSimple Solution with 7000 or 8000 series Amendment | M303 (6696943)          |
| Document Description   | Document Number or Code |
| Document Description   | Document Number or Code |

By signing below, Customer and the Microsoft Affiliate agree that both parties (1) have received, read and understand the above contract documents, including any websites or documents incorporated by reference and any amendments and (2) agree to be bound by the terms of all such documents.

**Customer**

Name of Entity (must be legal entity name)\* County of Riverside

Signature\* \_\_\_\_\_

Printed First and Last Name\* Lisa Brandl

Printed Title Director, Purchasing and Fleet Services

Signature Date\*

---

Tax ID

\* indicates required field

FORM APPROVED COUNTY COUNSEL  
 BY: NEAL R. KIPNIS DATE: 5/14/15

| Microsoft Affiliate  |   |
|--|---|
| Microsoft Corporation  |   |
| Signature _____  | <br>Microsoft Corporation<br><i>JUN 11 2015</i><br><i>Lena Juarez</i><br>Lena Juarez<br>Duty Authorized on behalf of<br>Microsoft Corporation |
| Printed First and Last Name _____  |   |
| Printed Title _____  |   |
| Signature Date<br>(Date Microsoft Affiliate countersigns)                      |   |
| Agreement Effective Date<br>(may be different than Microsoft's signature date) |   |

Optional 2<sup>nd</sup> Customer signature or Outsourcer signature (if applicable)

| Customer  |
|---|
| Name of Entity (must be legal entity name)* _____ |
| Signature* _____                                  |
| Printed First and Last Name* _____                |
| Printed Title _____                               |
| Signature Date* _____                             |

\* Indicates required field

| Outsourcer  |
|---|
| Name of Entity (must be legal entity name)* _____ |
| Signature* _____                                  |
| Printed First and Last Name* _____                |
| Printed Title _____                               |
| Signature Date* _____                             |

\* Indicates required field

If Customer requires physical media, additional contacts, or is reporting multiple previous Enrollments, include the appropriate form(s) with this signature form.

After this signature form is signed by the Customer, send it and the Contract Documents to Customer's channel partner or Microsoft account manager, who must submit them to the following address. When the signature form is fully executed by Microsoft, Customer will receive a confirmation copy.

Microsoft Corporation  
 Dept. 551, Volume Licensing  
 6100 Neil Road, Suite 210  
 Reno, Nevada 89511-1137  
 USA



**Enterprise Enrollment (Indirect)  
Invoice for Quoted Price  
Amendment ID M97**

Enrollment Number  
*Microsoft to complete for initial term  
Partner to complete for renewal*

6696943

000-jorob-s-780

This amendment ("Amendment") is entered into between the parties identified on the attached program signature form. It amends the Enrollment or Agreement identified above. All terms used but not defined in this Amendment will have the same meanings provided in that Enrollment or Agreement.

Notwithstanding anything to the contrary or in addition to any terms in the Enrollment, the Enrollment 6696943 is hereby amended to add the following paragraph:

The price quoted to Enrolled Affiliate's Reseller is a fixed price based on an estimated order submission date. Microsoft will invoice Enrolled Affiliate's Reseller based on this fixed price quote. If this order is submitted later than the estimated order submission date, Enrolled Affiliate's Reseller will be charged for net new Online Services subscriptions for the period during which these services were not provided. Pricing to Enrolled Affiliate is agreed between Enrolled Affiliate and Enrolled Affiliate's Reseller.

Except for changes made by this Amendment, the Enrollment or Agreement identified above remains unchanged and in full force and effect. If there is any conflict between any provision in this Amendment and any provision in the Enrollment or Agreement identified above, this Amendment shall control.

**This Amendment must be attached to a signature form to be valid.**



## Enterprise Enrollment Azure Government Services Amendment ID M271 (Indirect)

Enrollment Number  
*Microsoft is complete for initial term  
Partner is complete for renewal*

6666943

000-jorob-a-780

This amendment ("Amendment") is entered into between the parties on the attached program signature form. It amends the Enrollment identified above. All terms used but not defined in this Amendment will have the same meanings provided in the Enrollment.

The parties agree that the Enrollment is amended as follows:

1. Section 1 ("Definitions") of the Enrollment is hereby amended by adding the following:

"Azure Government Services" means one or more of the services or features Microsoft makes available to Enrolled Affiliate under this Enrollment and identified at <http://azure.microsoft.com/en-us/regions/#services>, which are provisioned in dedicated multi-tenant data centers for exclusive use by or for the Community.

"Community" means the community consisting of one or more of the following: (1) a Government, (2) an Enrolled Affiliate using Azure Government Services to provide solutions to a Government or a qualified member of the Community, or (3) a Customer with Customer Data that is subject to Government regulations for which Customer determines and Microsoft agrees that the use of Azure Government Services, and not Microsoft Azure Services, is the appropriate Microsoft service to meet Customer's regulatory requirements.

"Federal Agency" means a bureau, office, agency, department or other entity of the United States Government.

"Government" means a Federal Agency, State/Local Entity, or Tribal Entity acting in its governmental capacity.

"State/Local Entity" means (1) any agency of a state or local government in the United States, or (2) any United States county, borough, commonwealth, city, municipality, town, township, special purpose district, or other similar type of governmental instrumentality established by the laws of Customer's state and located within Customer's state's jurisdiction and geographic boundaries.

"Tribal Entity" means a federally recognized tribal entity eligible for funding and services from the U.S. Department of Interior by virtue of its status as an Indian tribe.

"Use Rights," means, with respect to any licensing program, the use rights or terms of service for each Product and version published for that licensing program at the Volume Licensing Site. The Use Rights supersede the terms of any end user license agreement (on-screen or otherwise) that accompanies a Product. The Use Rights for Software are published by Microsoft in the Product Use Rights. The Use Rights for Online Services are published in the Online Services Terms.

"Volume Licensing Site" means <http://www.microsoft.com/licensing/contracts> or a successor site.

2. The following sentence is added to the end of Section 6(d) of the Enrollment ("Termination for cause"):

In addition, it shall be a breach of this Enrollment if Enrolled Affiliate or any Affiliate in the Enterprise fails to maintain its status as a member of the Community.

3. The following new Section 7 is hereby added to the Enrollment:

**7. Azure Government Services**

- a. **Terms and conditions applicability.** All terms and conditions applicable to Microsoft Azure Services also apply to Azure Government Services, except as otherwise noted in the Product List and this Amendment.
- b. **Community Use Rights.** Enrolled Affiliate certifies that it is a member of the Community and agrees to use Azure Government Services solely in its capacity as a member of the Community and for the benefit of end users that are members of the Community. Use of Azure Government Services by an entity that is not a member of the Community or to provide services to non-Community members is strictly prohibited and could result in termination of Enrolled Affiliate's license(s) for Azure Government Services without notice. Enrolled Affiliate acknowledges that only Community members may use Azure Government Services.
- c. **Use Rights for Azure Government Services.** For Azure Government Services, notwithstanding anything to the contrary in the Use Rights:
- i. Customer Data will be stored and processed solely within the continental United States.
  - ii. Azure Government Services will be offered only within the United States.
  - iii. Additional European Terms, as set forth in the Use Rights, will not apply.
  - iv. In the event that a Government regulator or other Government body with equivalent supervisory authority over Customer ("Regulator") formally requests to access the Azure Government Services operations and controls, Customer will diligently attempt to resolve that request directly with the Regulator through use of information and resources Microsoft makes generally available to customers. Customer will at all times have access to its Customer Data (but not Customer Data of other Community members) using the standard features of the service and may delegate such access to representatives of the Regulator.
  - v. In the event the Regulator determines that information available through these mechanisms is insufficient to address the Regulator's stated objectives, and provided that Customer and Microsoft have not otherwise agreed upon an inspection or audit process, upon Customer's written confirmation that the Regulator has supervisory authority over Customer to make such a request, Microsoft will provide the Regulator with the opportunity to communicate with Microsoft's auditor at Customer's expense and, if required by the Regulator, a direct right to examine the Azure Government Services, including examination on premises. Regulator only will be allowed to access information about Customer. Customer will be liable for Microsoft's reasonable additional costs associated with such examination. For clarity, Microsoft and Customer are committed to working together in good faith to resolve a Regulator request through discussion and interaction between Customer, Microsoft, and the Regulator. In the

event that Customer and Microsoft have agreed upon a separate inspection or audit process, such process shall apply in lieu of this right.

- vi. In addition, the "Certifications and Audits" section of the Use Rights is replaced with the following:

Microsoft will seek to secure and use commercially reasonable efforts to maintain a provisional Authority to Operate (ATO) from the Federal Risk and Authorization Management Program (FedRAMP) Joint Authorization Board (JAB) or Federal Agency for the Azure Government Services that are listed at <http://azure.microsoft.com/en-us/support/trust-center/compliance/>, but are not provided as "Preview," "Beta," or other pre-release. On a confidential need-to-know basis, and subject to Enrolled Affiliate's non-disclosure obligations to Microsoft and additional obligations required by the Government, Microsoft will make the system security plan available to Enrolled Affiliate and/or Government end customers, along with other information reasonably requested by Government end customers regarding Microsoft security practices and policies (collectively, the "Security Policy"); provided, however, that Microsoft may redact information from the Security Policy if such information would compromise the security of Microsoft's information technology environment or the confidentiality of any third-party's confidential information. Customer is solely responsible for reviewing the Security Policy, making an independent determination as to whether the Security Policy meets Customer's requirements, and for ensuring that Customer's personnel and consultants follow the guidelines they are provided regarding data security.

Except for changes made by this Amendment, the Enrollment identified above remains unchanged and in full force and effect. If there is a conflict between any provision in this Amendment and any provision in the Enrollment identified above, this Amendment shall control.

**This Amendment must be attached to a signature form to be valid.**





# Microsoft Azure Amendment for StorSimple Solution with 7000 or 8000 series Amendment ID M303

Enrollment Number  
*Microsoft to complete for initial term  
Partner to complete for renewal*

6666943

000-jorob-s-780

This amendment ("Amendment") is entered into between the parties, and amends the Enrollment or Agreement, identified in the attached program signature form. All terms used but not defined in this Amendment will have the same meanings provided in that Enrollment or Agreement.

This amendment specifies the terms under which 7000 or 8000 series storage arrays manufactured by Seagate Systems (UK) Limited, ("Storage Arrays") and support will be made available to Customer.

When Customer purchases a specified minimum quantity of Microsoft Azure Monetary Commitment ("MC") in connection with a subscription to the Microsoft Azure Service, Customer will be eligible to receive, at no additional charge to Customer, delivery of a corresponding Storage Array and Gold level Storage Array support from Seagate Systems (UK) Limited ("Seagate"). The minimum MC purchase quantity required for each corresponding offer is specified in the table below.

| Offer  | Minimum Purchase Requirement per Offer<br>(Quantity of Azure MC per month) |
|--|--|
| 8100 Storage Array with Gold level Storage Array support | 50   |
| 8600 Storage Array with Gold level Storage Array support | 84   |

The quantity of offers ordered by Customer will be as indicated on the order form submitted to Seagate.

Customer is not eligible to receive the Storage Array and Storage Array support until Microsoft receives an order for the applicable Monetary Commitment and an executed copy of this Amendment.

Customer must arrange for delivery of the Storage Array directly with Seagate within fifteen (15) days after ordering the applicable MC. The terms and conditions governing the Storage Array, including warranty, support, shipping and handling, duties and return obligations, will be set forth in a separate agreement between Customer and Seagate. Title for Storage Array and risk of loss will pass to Customer upon delivery to the carrier at the point of origin. Customer will retain ownership of the Storage Array at the end of the subscription term.

Customer understands that Microsoft is paying Seagate for the Storage Array and Gold level Storage Array support that is being provided to Customer at no additional charge. The combined market value for the Storage Array and Gold level Storage Array support is available on the Seagate price list provided at <http://storsimple.seagate.com/pricing>. Microsoft waives any and all entitlement to compensation from Customer for the Storage Array or Gold level Storage Array support provided by Seagate. Microsoft intends that its payment for these items to Seagate be in compliance with applicable gift, ethics and other laws and regulations. It is specifically understood that the Storage Array and Gold level support are for the sole benefit and use of Customer and are not provided for personal use or benefit of any individual government employee.

The Storage Array contains software that uses internet protocols, which send to Microsoft (or its suppliers or service providers) computer information, such as your internet protocol address, the type of operating system, browser and name and version of the software you are using, and the language code of the computer where you installed the software.

StorSimple 7000 series Storage Array updates: Customer use of the update service for Storage Array related software will allow Customer to download available updates manually. Seagate, not Microsoft, provides and licenses the third party updates through Seagate's update service.

The StorSimple 8000 series Storage Arrays updates: Customer use of the update service for Storage Array related software will allow Customer to download available updates manually, or opt-in to receiving updates automatically. Available updates will come from Microsoft or third parties through the Microsoft Update service. The third party, not Microsoft, provides and licenses the third party updates through the update service.

This Amendment will automatically terminate upon any termination or expiration of the Enrollment.

Except for changes made by this Amendment, the Enrollment or Agreement identified above remains unchanged and in full force and effect. If there is any conflict between any provision in this Amendment and any provision in the Enrollment or Agreement identified above, this Amendment shall control.

**This Amendment must be attached to a signature form to be valid.**