

946

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



**FROM:** Riverside County Information Technology (RCIT)

**SUBMITTAL DATE:**  
June 13, 2013

**SUBJECT:** Approve Amendment No.1 for software and hardware support and maintenance of the PeopleSoft Financials System with Logicalis Inc.

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

1. Authorize the Purchasing Agent to sign Amendment No. 1 to extend the service agreement with Logicalis Inc. for \$316,256 for software and hardware maintenance support of existing equipment for one year; and,
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, based on the availability of fiscal funding, and to sign amendments that do not change the substantive terms of the agreement, including amendments to the compensation provision that do not exceed the annual CPI rates; and,
3. Direct the Clerk of the Board to return 3 original signed amendments to Purchasing and Fleet Services.

**BACKGROUND:**

(Continued on page 2)

Kevin K Crawford  
Chief Information Officer

<b>FINANCIAL DATA</b>	<b>Current F.Y. Total Cost:</b>	\$ 316,256	<b>In Current Year Budget:</b>	Yes
	<b>Current F.Y. Net County Cost:</b>	\$	<b>Budget Adjustment:</b>	No
	<b>Annual Net County Cost:</b>	\$	<b>For Fiscal Year:</b>	13/14
<b>SOURCE OF FUNDS:</b> RCIT Operating Budget			<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
			<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

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

**County Executive Office Signature**

BY:   
Christopher M. Hans

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Jeffries, seconded by Supervisor Ashley and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

**Ayes:** Jeffries, Tavaglione, Stone, Benoit and Ashley  
**Nays:** None  
**Absent:** None  
**Date:** June 25, 2013  
**xc:** RCIT, Purchasing

Kecia Harper-Ihem  
Clerk of the Board  
By:   
Deputy

**Prev. Agn. Ref.:** 3.59, 9/30/08

**District:** All

**Agenda Number:**

RECEIVED 12 12 2013  
SECRETARY OF THE BOARD

ATTACHMENTS FILED

3-33

**Form 11: Approve Amendment #1 for software and hardware support and maintenance of the PeopleSoft Financials System with Logicalis Inc.**

**Date: June 13, 2013**

**Page 2**

**BACKGROUND:**

On September 30, 2008 (M.O. 3.59) the Board of Supervisors approved the purchase of a hardware/software maintenance agreement with Logicalis, Inc. for support of the County's IBM system. The agreement was for five years and provides support on the IBM hardware, software, and operating system that runs both PeopleSoft Financials and HRMS.

The service agreement is due to expire and it is recommended that the county renew the agreement on the existing hardware and software. Replacement of the hardware has been delayed to avoid any interruption of the completion of the Financials 9.0 upgrade. RCIT will replace the servers upon completion of the upgrade. A Request for Quote (RFQ) will be conducted with Purchasing to procure new replacement hardware.

The requested approval for extension is for a maximum of 12 months however as soon as the hardware is replaced, the service agreement provisions will allow for a 30 day written cancellation notice which will result in a refund of the unused portion of the total cost, less a 10% pre-payment discount. With the purchase of new hardware via the RFQ award, new hardware/software services will be retained at that time.

**Price Reasonableness:**

In November 2007, on behalf of OASIS, Purchasing and Fleet Services issued a Request for Quote (RFQ) for IBM hardware and maintenance/support services. The maintenance and support services were included as a portion of the total RFQ with options to renew the service for up to five years.

Two bidders responded to the RFQ: Logicalis Inc., with a total bid of \$4,131,626, and IBM Corporation, with a total bid of \$5,202,813. Following technical and financial evaluations of the responses by Purchasing and OASIS, Logicalis Inc. was selected as lower qualified bidder. For this one-year extension of services, Purchasing negotiated a 12% discount from the original quote.

**REVIEW/APPROVAL:** Purchasing and County Counsel concur with this request.

COUNTY OF RIVERSIDE  
AMENDMENT NO. 1 TO AGREEMENT  
WITH LOGICALIS, INC.

WHEN DOCUMENT IS FULLY EXECUTED RETURN  
CLERK'S COPY

to Riverside County Clerk of the Board, Stop 1010  
Post Office Box 1147, Riverside, Ca 92502-1147  
Thank you.

CONTRACTOR:	LOGICALIS, INC.
Contract Term Extension:	June 1, 2013 through May 31, 2014
Annual Maximum Contract Amount:	\$316,526

The Agreement between the County of Riverside ("COUNTY") and Logicalis, Inc. ("CONTRACTOR") initially approved on September 19, 2008 for IBM hardware and software maintenance is amended as follows:

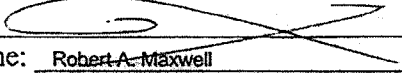
1. The term of the Agreement shall be extended through May 31, 2014 on the terms as stated in the Agreement, and also as stated in the attached Exhibit A (Logicalis quote and IBM service terms, reference agreement #A838BK).
2. All other terms and conditions of the Agreement are to remain unchanged.

Agreed:

County of Riverside  
Information Technology Department  
6147 Rivercrest Dr. Suite A  
Riverside, CA 92507

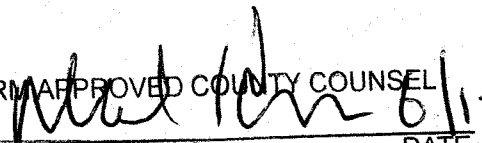
Logicalis, Inc.  
750 Warrenville Road  
Lisle, IL 60532

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By:   
Name: Robert A. Maxwell  
Title: EVP & General Counsel

Dated: \_\_\_\_\_

Dated: May 31, 2013

FORM APPROVED COUNTY COUNSEL  
BY:  6/12/13  
NEAL R. KIPNIS DATE

# EXHIBIT A



Business and technology working as one

**Services Representative:**  
Paula Golorth  
750 Warrenville Road, Lisle, IL 60532  
Phone: 331-777-3640  
Fax: 630-737-1039  
paula.golorth@us.logicalis.com

Riverside County  
Chaunlay McDuff  
951-486-7785  
Chaunlay.McDuff@RivCoIT.com  
7898 Mission Grove Pkwy S  
Riverside, CA 92503

**Account Representative:**  
Philip Chai  
1920 Main Street, Irvine, CA 92614  
Phone: 949-748-6205  
Fax: 949-453-0254  
Philip.Chai@us.logicalis.com

Support ID	Coverage Start	Coverage End	HW Prepay Cost	HW Discounted Prepay	SW Prepay Cost	SW Discounted Prepay	Total Prepay Cost	Total Discounted Prepay	Primary Contact
AG38BK	06/01/2013	05/31/2014	\$ 264,190.80	\$ 232,487.90	\$ 95,497.80	\$ 84,038.04	\$ 359,688.60	\$ 316,525.94	Chaunlay McDuff
<b>TOTAL SUPPORT COST</b>							\$ 359,688.60	\$ 316,525.94	

**CONTRACT TERM:** 06/01/2013 - 05/31/2014

*Do you have support agreements with other manufacturers that you would like Logicalis to manage? Ask me how to move them!*

**\*\* PLEASE INCLUDE QUOTE NUMBER ON PURCHASE ORDER \*\***

This offer may be accepted by purchase order or other acknowledgement of acceptance, including, without limitation, by signing this quotation. The information in this proposal is considered proprietary and confidential to Logicalis, Inc. By acceptance of this information, Customer agrees to maintain this confidentiality and use such information for internal purposes only. In the event Customer chooses to lease the Maintenance from a third party leasing company, Customer remains liable for payment to Logicalis for all Maintenance purchased until Logicalis receives payment from such leasing company. Any variation in quantity may result in price changes. Prices are valid for 30 days from date of quotation unless otherwise stated. Prices are subject to change without notice in the event the Product's manufacturer/distributor changes the price to Logicalis. Taxes are added at time of invoice.

By signing below, the undersigned accepts this offer and confirms that he/she is authorized to purchase these items on behalf of Customer.

Authorized Signature \_\_\_\_\_

Date: \_\_\_\_\_

Logicalis Terms Net 30

LOGICALIS' terms of sale, available at <http://www.us.logicalis.com/cs/ales.pdf>, are incorporated herein by reference.

**IBM will no longer honor contracts received after the contract start date. Please allow 7 days for processing new contract with IBM.**

# LOGICALIS

Business and technology working as one

Services Representative

Paula Golofin

Phone: 331-777-3640

Account Representative

Philip Chait

Phone: 949-748-6205



## Service Support Quotation

\*\* PLEASE INCLUDE QUOTE # ON PURCHASE ORDER \*\*

Quote Number A838BK  
 Quote Date 05/21/2013  
 Support ID A838BK  
 Billing Cycle Prepaid  
 Total Hardware Cost \$ 232,487.90  
 Total Software Cost \$ 84,038.04  
 Total Support Cost \$ 316,525.94

End User Riverside County  
 Primary Contact Chaunay McDuff  
 Phone 951-486-7785  
 Email Chaunay.McDuff@RivColt.com  
 Address 7898 Mission Grove Pkwy S  
 City, State Zip Riverside, CA 92503

Start Date 06/01/2013  
 End Date 05/31/2014  
 Coverage Term

Source Project Number	Qty	Service Product Description	Support Start Date	Support End Date	Line Item Price	Line Item Discount	Product Number	Serial Number
<b>HARDWARE SUPPORT ELEMENTS</b>								
HW MAINTENANCE B-R	1	IBM SYSTEM STORAGE SAN328-3 24x7 HW MAINTENANCE	06/01/2013	12/31/2013	\$ 971.90	\$ 855.27	2005 B5K	00105219T
HW MAINTENANCE B-R	1	IBM SYSTEM STORAGE SAN328-3 24x7 HW MAINTENANCE	06/01/2013	12/31/2013	\$ 971.90	\$ 855.27	2005 B5K	00105220N
HW MAINTENANCE B-R	1	IBM SYSTEM STORAGE SAN328-3 24x7 HW MAINTENANCE	06/01/2013	12/31/2013	\$ 971.90	\$ 855.27	2005 B5K	00105220P
HW MAINTENANCE B-R	1	IBM SYSTEM STORAGE D88100 24x7 HW MAINTENANCE	06/01/2013	05/31/2014	\$ 70,740.11	\$ 62,251.30	2423 931	00008V070
HW MAINTENANCE B-R	1	SYSTEM STORAGE D88100 24x7 HW MAINTENANCE	06/01/2013	05/31/2014	\$ 54,708.90	\$ 48,142.07	2423 931	0000CD100
HW MAINTENANCE B-R	1	TS3500 TAPE LIBRARY 24x7 HW MAINTENANCE	06/01/2013	05/31/2014	\$ 4,686.43	\$ 4,124.06	3584 L53	000022174
HW MAINTENANCE B-R	1	24x7 HW MAINTENANCE	06/01/2013	05/31/2014	\$ 2,355.17	\$ 2,072.65	3588 F4A	000059732
HW MAINTENANCE B-R	1	TS1040 ULTRIUM 4 TAPE DRIVE 24x7 HW MAINTENANCE	06/01/2013	05/31/2014	\$ 2,355.17	\$ 2,072.65	3588 F4A	000059781
HW MAINTENANCE B-R	1	TS1040 ULTRIUM 4 TAPE DRIVE 24x7 HW MAINTENANCE	06/01/2013	05/31/2014	\$ 2,355.17	\$ 2,072.65	3588 F4A	000059843
HW MAINTENANCE B-R	1	TS1040 ULTRIUM 4 TAPE DRIVE 24x7 HW MAINTENANCE	06/01/2013	05/31/2014	\$ 2,355.17	\$ 2,072.65	3588 F4A	000059899
HW MAINTENANCE B-R	1	HMC 17042 CR4 RACK-MOUNTED HARDWARE MGMT. CONSOLE 24x7 HW	06/01/2013	05/31/2014	\$ 663.51	\$ 583.89	7042 CR4	00004A43B
HW MAINTENANCE B-R	1	HMC 17042 CR4 RACK-MOUNTED HARDWARE MGMT. CONSOLE 24x7 HW	06/01/2013	05/31/2014	\$ 663.51	\$ 583.89	7042 CR4	00004A4CB
HW MAINTENANCE B-R	1	IBM 7316-TE3 RACK MOUNTED FLAT PANEL CONSOLE KIT 24x7 HW	06/01/2013	05/31/2014	\$ 310.83	\$ 273.53	7316 TE3	000060631
HW MAINTENANCE B-R	1	IBM SYSTEM X375 24x7 HW MAINTENANCE	06/01/2013	05/31/2014	\$ 881.99	\$ 776.15	8877 AC1	009850033
HW MAINTENANCE B-R	1	IBM SYSTEM X375 24x7 HW MAINTENANCE	06/01/2013	05/31/2014	\$ 881.99	\$ 776.15	8877 AC1	009850034
HW MAINTENANCE B-R	1	IBM SYSTEM X375 24x7 HW MAINTENANCE	06/01/2013	05/31/2014	\$ 881.99	\$ 776.15	8877 AC1	009850035
HW MAINTENANCE B-R	1	IBM SYSTEM X375 24x7 HW MAINTENANCE	06/01/2013	05/31/2014	\$ 881.99	\$ 776.15	8877 AC1	009850126
HW MAINTENANCE B-R	1	IBM SYSTEM X375 24x7 HW MAINTENANCE	06/01/2013	05/31/2014	\$ 881.99	\$ 776.15	8877 AC1	009850128
HW MAINTENANCE B-R	1	IBM SYSTEM X375 24x7 HW MAINTENANCE	06/01/2013	05/31/2014	\$ 881.99	\$ 776.15	8877 AC1	009850077
HW MAINTENANCE B-R	1	POWER SYSTEM S70 24x7 HW MAINTENANCE	06/01/2013	05/31/2014	\$ 37,718.59	\$ 33,182.36	9117 MAA	000000371
HW MAINTENANCE B-R	1	POWER SYSTEM S70 24x7 HW MAINTENANCE	06/01/2013	05/31/2014	\$ 37,718.59	\$ 33,182.36	9117 MAA	000000371
HW MAINTENANCE B-R	1	POWER SYSTEM S70 24x7 HW MAINTENANCE	06/01/2013	05/31/2014	\$ 37,718.59	\$ 33,182.36	9117 MAA	000000371
HW MAINTENANCE B-R	1	POWER SYSTEM S70 24x7 HW MAINTENANCE	06/01/2013	05/31/2014	\$ 37,718.59	\$ 33,182.36	9117 MAA	000000371
HW MAINTENANCE B-R	1	SUBTOTAL HARDWARE SUPPORT ELEMENTS			\$ 232,487.90			

QTY 3,16,10





# Change Authorization for ServiceElite

Each of us agrees to amend the referenced Master Services Attachment for ServiceElite ("Attachment") and the associated terms for IBM Software Maintenance to include:

## AIX 5.3 Service Extension Support

### 1. Scope of Service

Under this Service IBM will provide remote technical support services for basic how-to, usage, known and new defect support for the Eligible Machines and Supported Products. The terms specified in this section "AIX 5.3 Service Extension" are only applicable to this specific Service and will expire when this Service expires.

You will receive AIX 5.3 Service Extension Support for the Eligible Machines and Supported Products that are identified as such within the Schedule. The Schedule will also specify the hours of support coverage for the Eligible Machines and Supported Products as applicable. Any newly acquired Eligible Machines and Supported Products may be added upon your written request, and once accepted by IBM will be included in the Schedule and may result in changes to the charge for this Service.

### 2. Definitions

**Full Shift** - is 24 hours a day, seven days a week, including national holidays.

**Off Shift** - is all hours outside of Prime Shift.

**Prime Shift** - is 8:00 a.m. to 5:00 p.m. in the local time zone where your U.S. based Primary Technical Contact resides Monday through Friday (excluding national holidays).

**Response Time** - is the elapsed time between receipt of a submission by IBM Remote Technical Support, and the acknowledgment and initial disposition of the submission.

**Severity 1** - is a (Customer Critical Problem) critical business impact which means you are unable to use the program and has no known work around, resulting in a critical disruption to business operations.

**Severity 2** - is a significant business impact, which means the program is usable but severely limited.

**Severity 3** - is some business impact, which means the program is usable with less significant features.

**Severity 4** - is a minimal business impact, which means the problem causes little impact on operations or that a reasonable circumvention to the problem has been implemented.

**Supported Products** - refer to the Supported Products listing for the end of service at: <http://www-03.ibm.com/services/supline/products/>

**Technology Level** - is an accumulation of fixes, new device support and programming enhancements that is used for preventive maintenance on AIX.

### 3. Service Description

#### 3.1 AIX Support

##### 3.1.1 IBM Responsibilities

IBM provides remote usage, known and new defect assistance only to your Information Systems ("IS") technical support personnel. This assistance is not available to your end users. This assistance will provide support to United States ("U.S.") callers only for the U.S. editions of the Supported Products installed on systems which are physically located in the U.S.

Electronic response is only available during Prime Shift. Electronic access and response details may be found at: <http://www.ibm.com/support/handbook>

Usage and known defect support is available during Full Shift for Severity 1 and during Prime Shift for Severity 2, 3 and 4 problems. New defect support is available during Full Shift for Severity 1 problems and during Prime Shift for Severity 2, 3, and 4 problems.

IBM will:

- provide you with basic, short duration, remote assistance for installation (or reinstallation), usage and configuration questions;
- provide assistance with questions regarding product documentation related to the Supported Products;
- determine an applicable resolution which may include patches or workarounds;
- review diagnostic information to assist in isolation of a problem cause (which would include, assistance interpreting traces and dump analysis for installation problems); and
- provide assistance on Supported Product known defects for which available corrective service information and program fixes are available and for which you are entitled to receive support under the terms of the IBM Program license.

##### Response Criteria:

IBM will use commercially reasonable efforts to respond, by telephone, to service calls from you within two hours during Prime Shift. This response may result in resolution of your request or it will form the basis for determining what additional actions may be required to achieve technical resolution of your request. During Off Shift IBM will use commercially reasonable efforts to respond to service calls which specify to be Customer Critical Problems within two hours. Also during Off Shift hours of coverage, IBM will use commercially reasonable efforts to respond to all other severity service calls within four hours.

##### 3.1.2 Your Responsibilities

You agree to:

- have an IBM software maintenance agreement in place for the duration of this Service on the machines listed in the Schedule;
- pay any communication charges associated with accessing this Service unless IBM specifies otherwise;
- ensure you are properly licensed to use all software Supported Products for which you request assistance;
- for usage and known defect support, ensure that systems covered are at Technology Level 10, 11, or 12, and if requested by IBM, you will install the latest available corrective service pack or Technology Level in the event complex debugging or in-depth problem determination is required. For systems at Technology Levels lower than Technology Level 10, usage and known defect support is not available for complex debugging, root cause determination or source code analysis. An update to a higher technology level may be required for problem resolution. Current service packs are documented at the fix central website at <http://www-933.ibm.com/support/fixcentral/>;



- e. for new defect support, ensure that systems covered are at Technology Level 12, and if requested by IBM, you will install the latest corrective service pack;
- f. ensure that any access codes IBM provides to you are used only by your authorized personnel;
- g. designate a technically qualified representative (called "Primary Technical Contact") who will be your focal point and to whom IBM may direct general technical information pertaining to your Supported Products. Your Primary Technical Contact and each caller must have sufficient technical knowledge of your Supported Product environment to enable effective communication with the IBM support center;
- h. provide IBM with all relevant and available diagnostic information (including product or system information) pertaining to software problems for which you request assistance;
- i. if requested by you and appropriate, provide IBM with appropriate remote access to your system, if required to assist you in resolving the software problem cause. You will remain responsible for adequately protecting your system and all data contained therein whenever IBM remotely accesses it with your permission. If you decline providing remote access to your system by IBM, IBM may be limited in its ability to fully provide the Services necessary to resolve the problem and if IBM is unable to do so, IBM will notify you and close out the service call;
- j. use the information obtained under this Service only for the support of the information processing requirements within your Enterprise. You may not resell the Service or use it to provide support to third parties;
- k. acknowledge that IBM does not warrant that all defects will be corrected or that the operation of the program will be uninterrupted;
- l. acknowledge and understand that AIX 5.3 Service Extension Support is not designed to support additional software function, new application development, new operating system platforms or new hardware. IBM does not warrant that all defects will be corrected or that the operation of the program will be uninterrupted;
- m. understand that Java support is limited to current levels that are supported on AIX 5.3, as documented at this website <http://www.ibm.com/developerworks/java/idx/lifecycle/index.html>;
- n. be responsible for the content of any database, the selection and implementation of controls on its access and use, backup and recovery and the security of the stored data. This security will also include any procedures necessary to safeguard the integrity and security of software and data used in the Services from access by unauthorized personnel; and be responsible for the identification of, interpretation of, and compliance with, any applicable laws, regulations, and statutes that affect your existing systems, applications, programs, or data to which IBM will have access during the Services, including applicable data privacy, export, and import laws and regulations. It is your responsibility to ensure the systems, applications, programs, and data meet the requirements of those laws, regulations and statutes; and
- o. acknowledge that IBM is permitted to use global resources (non-permanent residents used locally and personnel in locations worldwide) for the delivery of Services.

### 3.1.3 Mutual Responsibilities

Each of us will comply with applicable export and import laws and regulations, including those of the U.S. that prohibit or limit export for certain uses or to certain end users, and each of us will cooperate with the other by providing all necessary information to the other, as needed for compliance. Each of us shall provide the other with advance written notice prior to providing the other party with access to data requiring an export license.

### 3.1.4 The following items are outside the scope of this Service:

- a. Onsite assistance.

## 4. Termination

IBM may terminate this Service upon three months written notice to you. You may terminate the Service by giving one month written notice to IBM anytime after this Service has been in effect for at least two months for each of the Eligible Machines and/or Supported Products. You will receive a prorated credit for any remaining prepaid period associated with the terminated Service. This Service does not automatically renew.

This 1) Change Authorization, 2) the referenced Attachment and any prior Change Authorizations that have not been replaced by this one, 3) the Schedule, and 4) the IBM Customer Agreement or any equivalent agreement in effect between us ("Agreement") comprise the complete agreement regarding the Services in this Change Authorization. Each party accepts the terms of this Change Authorization by signing this Change Authorization by hand or, where recognized by law, electronically.

As used in this Change Authorization, "you" and "Your" refer to the Enterprise identified below:

Agreed to:

By \_\_\_\_\_

Authorized signature

Name (type or print):

Date:

Enterprise Number: 07652000

Enterprise address:

COUNTY OF RIVERSIDE  
7898 MISSION GROVE PKWY  
BLDG B STE 200  
RIVERSIDE CA 92508-5054

Enterprise telephone number:

Agreed to:

International Business Machines Corp.

By \_\_\_\_\_

Authorized signature

Name (type or print):

Date:

Reference Attachment number: MAF9CJR

Change Authorization number:

IBM Address:

IBM CORPORATION  
7100 HIGHLAND PARKWAY  
SMYRNA, GA 30082