

MINUTES OF THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



**3-55**

On motion of Supervisor Ashley, seconded by Supervisor Jeffries and duly carried by unanimous vote, IT WAS ORDERED that the recommendation from Riverside County Information Technology regarding Approval to Authorize the County to enroll under the VMware Enterprise License Agreement (ELA), is deleted from the agenda for Tuesday, December 15, 2015.

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I hereby certify that the foregoing is a full true, and correct copy of an order made and entered on December 15, 2015 of Supervisors Minutes.

WITNESS my hand and the seal of the Board of Supervisors  
Dated: December 15, 2015  
Kecia Harper-Ihem, Clerk of the Board of Supervisors, in  
and for the County of Riverside, State of California.

(seal)

By:  Deputy

AGENDA NO.  
**3-55**

xc: RCIT



**JAY E. ORR**  
COUNTY EXECUTIVE OFFICER

**MEMORANDUM**  
**COUNTY OF RIVERSIDE**  
**EXECUTIVE OFFICE**

**GEORGE A. JOHNSON**  
CHIEF ASSISTANT COUNTY EXECUTIVE OFFICER

**ROB FIELD**  
ASSISTANT COUNTY EXECUTIVE OFFICER  
ECONOMIC DEVELOPMENT AGENCY

**MICHAEL T. STOCK**  
ASSISTANT COUNTY EXECUTIVE OFFICER  
HUMAN RESOURCES

**ZAREH SARAFIAN**  
ASSISTANT COUNTY EXECUTIVE OFFICER  
HEALTH SERVICES

**PAUL McDONNELL**  
COUNTY FINANCE DIRECTOR

**CHRISTOPHER HANS**  
CHIEF DEPUTY COUNTY EXECUTIVE OFFICER

**TO:** Clerk of the Board

**FROM:** George A. Johnson, Chief Assistant CEO

**DATE:** December 14, 2015

**RE:** **AGENDA ITEM OFF-CALENDAR**

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The department requests this item be continued off-calendar:

- 3-55 RIVERSIDE COUNTY INFORMATION TECHNOLOGY: Approval to Authorize the County to enroll under the VMware Enterprise License Agreement (ELA).  
[\$6,171,057 – RCIT Operating Budget-ISF Fund]

3-55 12/18/15

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

181



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

**SUBMITTAL DATE:**  
December 10, 2015

**SUBJECT:** Authorize the County to enroll under the VMware Enterprise License Agreement (ELA) and return to the Board with a master lease agreement by February 9, 2016; [Districts All]; [Total:\$6,171,057]; [Annually:\$2,057,019] RCIT Operating Budget

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

1. Authorize the County (including County-related entities also governed by the Board of Supervisors) to enroll under the VMware Enterprise License Agreement (ELA) program;
2. Authorize the County CIO and the Purchasing Agent to immediately negotiate agreements including related documents to be signed no later than December 31, 2015 as needed to implement the ELA program in an amount not to exceed \$6,171,057 over three years, with the Purchasing Agent authorized to sign the agreements and related documents as approved by County Counsel;
3. Authorize the CIO and the Purchasing Agent to negotiate a master lease agreement to finance performance under the ELA upon approval of the master lease agreement by County Counsel, and return the master lease agreement to the Board for final approval by February 9, 2016; and,

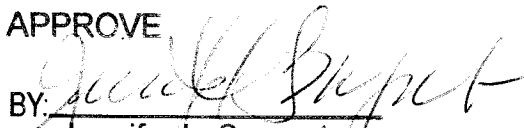
(continued)

  
Steve Reneker  
Chief Information Officer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 2,057,019	\$ 6,171,057	\$	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$	\$	\$	\$	
<b>SOURCE OF FUNDS:</b> RCIT Operating Budget-ISF Fund				<b>Budget Adjustment:</b>	
				For Fiscal Year: 16/17 – 18/19	

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

APPROVE

BY:   
Jennifer L. Sargent

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

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

Prev. Agn. Ref.:

District: All

Agenda Number:

3-55

Departmental Concurrence

Teresa Summers, Assistant Director

Purchasing & Fleet Services:



**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**  
**FORM 11:** Authorize the County to enroll under the VMware Enterprise License Agreement (ELA) and return to the Board with a master lease agreement by February 9, 2016; [Districts All]; [Total:\$6,171,057]; [Annually:\$2,057,019] RCIT Operating Budget  
**DATE: December 10, 2015**  
**PAGE: 2 of 2**

**RECOMMENDED MOTION:** (Continued)

4. Authorize the Purchasing Agent, based on availability of fiscal funding, to sign amendments that do not change the substantive terms of the agreement or increase the compensation provision not more than 15% annually, as approved by County Counsel.

**BACKGROUND:**

**Summary**

Riverside County would like to enter into an Enterprise License Agreement (ELA) with GST to be used countywide for VMware licenses, software maintenance and support, and cloud and professional services. VMware is the creator/owner of the software but the product is provided through third party retailers. These authorized resellers are the main point of contact for all licensing needs, technical support, training and professional service and will partner with RCIT and VMware to ensure all aspects of the ELA are met. The ELA will provide RCIT with the capabilities to support the consolidation of 51 county data centers into a centralized data center (RC3).

The securing of the ELA will enhance current RCIT efforts to increase virtualization throughout the county from 30% to 90%, driving an estimated \$13.5M in hardware spend reduction along with reducing the overall power and cooling consumption cost by an estimated \$2.5M over a three (3) year period as follows:

- Reduced server purchase requirements for replication of existing servers will reduce capex by \$8,183,919
- Pooling and sharing of storage space will contribute to a savings of \$1,087,292
- Lower network hardware requirements will provide a savings of \$2,968,000
- Reduced power consumption from operations and cooling will save 23.4M KWH of energy units - \$2,577,997
- 4,412 Sqft of real estate space saved @ \$276 per sqft/yr - \$1,217,712

It will also provide an advanced platform with which to build an automated, shared services model that will enable operational efficiency throughout the county estimated to save up to \$11.3M and 61,000 man-hours over a three (3) year period.

**Impact on Citizens and Businesses**

There is no negative impact on residents.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

As RCIT builds the platform to support the consolidation into RC3, RCIT will leverage the software products available within the ELA to execute a migration/consolidation strategy that will drive an additional \$900,000 savings in data center migration cost.

**Contract History and Price Reasonableness**

On November 20, 2015 Purchasing released Request for Quote (RFQ) #ITARC-395 for VMware Enterprise License Agreement (ELA). Notification was posted publically as well as sent to nine VMware partner resellers. Fourteen (14) bidders responded to the RFQ and GST was found to be the lowest responsive responsible bidder. Quotes ranged from \$6,171,057 to \$7,393,039 for financing a three year ELA.

Approval of this request before the end of the calendar year will save cost as the pricing provided in the ELA is less than what list price would be through resellers for additional licensing needed for critical projects set to commence in early 2016. RCIT will return to the Board with a negotiated master lease agreement for the VMware ELA enrollment.



**RIVERSIDE COUNTY INFORMATION TECHNOLOGY PROCUREMENT FORM**  
 To be completed for all departmental purchases of IT systems, services or renewals

PR2015-03339  
 Tracking Number for  
 Internal Use Only

<b>REQUESTED PURCHASE:</b>		<b>RIVERSIDE COUNTY VMWARE ELA 3 YEAR AGREEMENT</b>																						
<b>DEPARTMENT/AGENCY:</b>		RCIT																						
<b>CONTACT NAME/PHONE:</b>		JIM SMITH (951)-955-1151																						
<b>PURCHASE REQUEST:</b>		<input checked="" type="checkbox"/> NEW EQUIPMENT/SERVICES <input type="checkbox"/> UPGRADE <input type="checkbox"/> REPLACEMENT																						
<b>PURCHASE TYPE:</b>		<input checked="" type="checkbox"/> PROFESSIONAL SERVICES <input checked="" type="checkbox"/> SOFTWARE <input type="checkbox"/> HARDWARE <input type="checkbox"/> RENEWAL																						
<b>DESCRIBE REQUESTED PURCHASE</b>	RCIT is pursuing a three (3) year agreement with VMware to decrease software and implementation costs to virtualize the county's server infrastructure. Annual VMware maintenance costs are estimated at \$2,050,000 per year.  Potential savings over 3 year is estimated at \$23,572,130																							
<b>BUSINESS NEEDS ADDRESSED</b>	This effort will resolve the county's infrastructure inflexibility, eliminate operational inefficiencies.																							
<b>ARE THERE ANY OTHER COUNTY SYSTEMS THAT PROVIDE THE SAME FUNCTIONALITY?</b>		<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES <input type="checkbox"/> UNKNOWN																						
<b>BUSINESS CRITICALITY</b>		<b>BUSINESS IMPACT (SELECT ALL THAT APPLY)</b>																						
<input checked="" type="checkbox"/> Run the business <input checked="" type="checkbox"/> Grow the business <input checked="" type="checkbox"/> Transform the business		<input checked="" type="checkbox"/> Support current operations <input checked="" type="checkbox"/> Reduce Expenses <input checked="" type="checkbox"/> Improve Customer Service <input checked="" type="checkbox"/> Improve Operational Efficiencies																						
<b>BUSINESS RISKS</b>	Financial:  Operational:  Customer:																							
<b>ALTERNATIVE SOLUTIONS</b>	1. [Solution] 2. [Solution] 3. [Solution]																							
<b>TRANSACTION</b>	<input type="checkbox"/> Cash Purchase <input type="checkbox"/> Lease Purchase            Lease Years: _____																							
<b>PURCHASE COSTS</b>		<b>COST BENEFIT ANALYSIS</b>																						
Hardware: \$2,131,462		<table border="1"> <thead> <tr> <th></th> <th>ALTERNATIVE STATUS QUO</th> <th>ALTERNATIVE</th> <th>ALTERNATIVE</th> </tr> </thead> <tbody> <tr> <td>Current Annual Cost</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Ongoing Annual Cost</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Annual Cost Savings</td> <td></td> <td></td> <td></td> </tr> <tr> <td><b>Net Annual Savings</b></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>				ALTERNATIVE STATUS QUO	ALTERNATIVE	ALTERNATIVE	Current Annual Cost				Ongoing Annual Cost				Annual Cost Savings				<b>Net Annual Savings</b>			
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Software: \$4,817,911																								
Labor: \$1,326,485																								



**RIVERSIDE COUNTY INFORMATION TECHNOLOGY PROCUREMENT FORM**  
 To be completed for all departmental purchases of IT systems, services or renewals

Tracking Number for  
Internal Use Only


TOTAL COST: \$8,275,858	Project Implementation Cost			
	Project Payback Period? yrs			

Department Head Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**RCIT RECOMMENDATION – for purchases and renewals under \$100,000**

Recommended:  Yes  No (Non-recommended requests submit to TSOC)

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

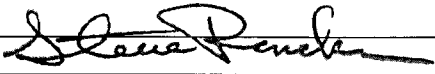
Chief Information Officer Signature:  Date: 11/20/15

**RCIT explanation for non-recommended requests:**

\_\_\_\_\_

**TSOC RECOMMENDATION: for purchases and renewals over \$100,000 and RCIT non-recommended purchases or renewals**

Recommended:  Yes  No (In no, provide explanation below)

TSOC Chair Signature:  Date: 11/24/15

**TSOC explanation for denied requests:**

\_\_\_\_\_