

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

February 6, 2024

FROM

LYNN FYHRLUND, Chief Information Officer, Innovation and Technology Department

SUBJECT

Amendment to Master Service Agreement with Microsoft Corporation for Microsoft Unified Support Services

RECOMMENDATION(S)

Approve **Amendment No. 2 to Master Service Agreement No. 00-939**, with Microsoft Corporation, for Microsoft Unified Support Services, for the period of February 25, 2024 through February 24, 2027, increasing the amount by \$4,534,146, from \$1,760,285 to the not-to-exceed amount of \$6,294,431, with no change to the contract period of September 12, 2000, and continuing until terminated by either party.
(Presenter: Lynn Fyhrlund, Chief Information Officer, 388-5501)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The Innovation and Technology Department's (ITD) operating costs are recovered via service rates approved annually by the Board of Supervisors (Board). The three-year cost for Microsoft Unified Support Services is \$3,534,146 and is relative to the amount of Microsoft Corporation (Microsoft) products utilized by the County. The remaining not-to-exceed amount of \$1,000,000 will cover any unanticipated increases in licenses, which will require more Microsoft Unified Support Services over the three-year period. The additional not-to-exceed amount of \$4,534,146 will allow ITD to renew existing and purchase new Microsoft Unified Support Services from Microsoft Corporation (Microsoft) for a three-year period. Sufficient appropriation is included in ITD's Computer Operations 2023-24 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

The County has several computer systems that use Microsoft operating systems and related software products licensed through ITD's Enterprise Agreement (EA), allowing ITD to obtain quotes for Microsoft licenses, such as Microsoft Exchange, SharePoint, and Active Directory. ITD previously procured the annual maintenance and support for

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these systems and licensed software products under a Microsoft service offering called Microsoft Premier Support under the Purchasing Agent's authority. ITD currently utilizes annual maintenance and support for its licenses under a service called Microsoft Unified Support Services, which consists of onsite reviews performed by a Microsoft service provider. The service provider performs software installation, training, troubleshooting, and problem fixes to keep County computer systems running with maximum uptime.

On September 12, 2000 (Item No. 88), the Board approved both Microsoft Master Service Agreement No. 00-939 (MSA) and Amendment No. 001 of that agreement, which includes provisions of centralized Microsoft technical support for County Departments. The MSA remains in effect until terminated by either party and has no associated cost tied to it.

Amendment No. 001 was approved by the board concurrently with the MSA to revise the terms of the MSA. The revisions updated the Governing Law for the MSA and amended terms in the Fee and Confidential Information sections.

On January 26, 2021 (Item No. 34), the Board authorized the Purchasing Agent to issue Contract No. 4400016093 to Microsoft under the Microsoft MSA for the total not-to-exceed amount of \$1,760,285, for the purchase of Microsoft Unified Support Services for the period of February 25, 2021 through February 24, 2024.

ITD recommends approval of Amendment No. 2 with Microsoft in the not-to-exceed amount of \$4,534,146 for the purchase of Microsoft Unified Support Services for the three-year period of February 25, 2024, through February 24, 2027. The terms of the amendment with Microsoft ensures lower cost for the base three-year cost for Microsoft Unified Support Services. Amendment No. 2 is an addition to the MSA with its own terms, and since it does not specifically state that the Term provision is amended, it does not impact the MSA term, which will remain indefinite until terminated by either party.

PROCUREMENT

ITD recommends purchasing Microsoft Unified Support Services directly from Microsoft as a non-competitive three-year purchase, rather than through partners due to the cost savings of procuring the service directly. The Purchasing Department concurs with the recommendation of a non-competitive purchase of Unified Support.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Bonnie Uphold, Deputy County Counsel, 387-5455) on December 28, 2023; Purchasing (Christina Reddix, Buyer III, 387-2060) on December 29, 2023; Finance (Iliana Rodriguez, Administrative Analyst, 387-4205) on January 9, 2024; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on January 10, 2024.

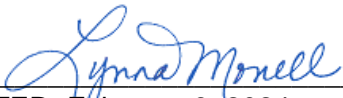
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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY  _____
DATED: February 6, 2024



cc: IT - Thomas w/agree
Contractor - c/o IT w/agree
File - w/agree
CCM 02/13/2024