

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

**August 19, 2025**

**FROM**

**LYNN FYHRLUND, Chief Information Officer, Innovation and Technology Department**

**SUBJECT**

Termination of Non-Financial Agreements with OpenAI, LLC for Generative Artificial Intelligence Tools

**RECOMMENDATION(S)**

Acknowledge termination of the following non-financial agreements with OpenAI, LLC for generative artificial intelligence tools:

1. OpenAI Business Terms Agreement No. 24-420
2. OpenAI Service Terms Agreement No. 24-421
3. Data Processing Addendum Agreement No. 24-422

(Presenter: Lynn Fyhrlund, Chief Information Officer, 388-5501)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Improve County Government Operations.**

**FINANCIAL IMPACT**

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost) as there is no cost or financial impact associated with the termination of the non-financial agreements with OpenAI, LLC (OpenAI).

**BACKGROUND INFORMATION**

Generative Artificial Intelligence (Generative AI) is a type of artificial intelligence technology with the ability to provide various types of content, including text, imagery, audio, and synthetic data. On November 30, 2022, OpenAI released Chat Generative Pre-trained Transformer (ChatGPT) to the public, accessible through a computing device (e.g., smartphone, laptop) via an app or web browser.

On May 21, 2024 (Item No. 40), the Board of Supervisors (Board) approved Agreement Nos. 24-420, 24-421, and 24-422 (collectively Agreements) for generative artificial intelligence tools, which enabled County departments to leverage Generative AI tools and its capabilities to foster innovation, accelerate business processes, and lead to greater efficiency in delivering services to the public. These agreements became effective upon electronic acceptance and continue until terminated by either party.

As of May 31, 2025, OpenAI has combined the Agreements into one End User License Agreement (EULA), which supersedes all prior versions, including the Business Terms Agreement, Service Terms Agreement, and the Data Processing Addendum. The updates to the EULA became known to the Innovation and Technology Department (ITD) in June 2025, as

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part of ITD's annual term review before renewal. As a result, the original Agreements are no longer valid or in effect, and formal acknowledgment of their termination by the Board is recommended for administrative record keeping and clarity.

The new EULA has been approved pursuant to County Policy 11-05 and 11-05 SP.

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Kaleigh Ragon, Deputy County Counsel, 387-5455) on July 14, 2025; Purchasing (Dylan Newton, Buyer III, 387-3377) on July 10, 2025; Risk Management (Gregory Ustaszewski, Staff Analyst II, 386-9008) on July 10, 2025; and Finance and Administration (Ivan Ramirez, 387-4020, Administrative Analyst) on July 29, 2025.

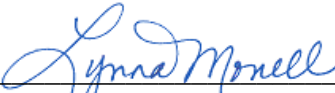
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Record of Action of the Board of Supervisors  
San Bernardino County

**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: August 19, 2025



cc: File – w/agrees  
MBA 08/20/2025