

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

August 22, 2023

**FROM**

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

**SUBJECT**

Agreements with Cisco Systems, Inc. for Enterprise Security Software, Cloud Services and Video Conferencing Services

**RECOMMENDATION(S)**

1. Approve the non-financial End User License **Agreement No. 23-863** with Cisco Systems, Inc., including non-standard terms, for the use of Cisco Systems, Inc. software, cloud services and video conferencing services, for the period commencing on the delivery date and continuing until expiration or termination of the entitlement.
2. Approve the non-financial **Enterprise Agreement No. 23-864** Program Terms for End Users with Cisco Systems, Inc., including non-standard terms, for enterprise security software and cloud services purchased from Cisco Systems, Inc. authorized reseller Presidio Networked Solutions Group, LLC, effective upon County's signature and continuing until expiration or termination of all the suites and add-ons purchased in the initial order.
3. Approve the non-financial Letter of **Agreement No. 23-863** with Cisco Systems, Inc. as **Amendment No. 1** to the End User License Agreement, in Recommendation No. 1, effective on the date of last signature and coterminous with the term of the Cisco Technology as purchased from the Presidio Networked Solutions Group, LLC, in Recommendation No. 4.
4. Authorize the Purchasing Agent to issue purchase orders to Presidio Networked Solutions Group, LLC, in an aggregate amount not-to-exceed \$6,340,915, to purchase enterprise security software licensing and cloud services, for the period of August 25, 2023, through August 24, 2026.
5. Authorize the Chief Information Officer to execute non-substantive amendments to the agreements in Recommendation Nos. 1 and 2 with Cisco Systems, Inc. as they pertain to changes to the use of security software, cloud services and video conferencing services, subject to review by County Counsel, provided the documents do not increase the total not-to-exceed purchase order authorization of \$6,340,915 for the enterprise security software and cloud services purchased from Presidio Networked Solutions Group, LLC, as set forth in Recommendation No. 4, or change the duration of the agreements.
6. Direct the Chief Information Officer to transmit all non-substantive amendments to the agreements in Recommendation Nos. 1 and 2 related to the use of security software, cloud services and video conferencing to the Clerk of the Board of Supervisors within 30 days of execution.

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

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

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

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**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 the enterprise security software and cloud services paid annually to Presidio Networked Solutions Group, LLC (Presidio), is \$5,740,915. The remaining not-to-exceed amount of \$600,000 will allow ITD to make additional purchases of enterprise security software and cloud services, as needed, from Presidio during the three-year period. Sufficient appropriation is included in ITD's Computer Operations 2023-24 budget for Cisco Systems, Inc. (Cisco) enterprise security software, cloud services and video conferencing services and will be included in future recommended budgets.

**BACKGROUND INFORMATION**

ITD manages multiple enterprise systems and computer equipment that serve County departments, including the enterprise-wide area network, server management services for physical and virtual servers, security solutions such as threat detection and response, monitoring and analytics, and multifactor authentication and support.

ITD utilizes various Cisco products for the management of the server environment, wide area network and video conferencing. Cisco offers the use of their software, including enterprise security licensing, cloud services and video conferencing services through the End User License Agreement (EULA) and access to Cisco enterprise security licensing, technology, and services through the Enterprise Agreement Program Terms for End Users (EA).

The EA will provide the County access to purchase licensing and cloud services for various software and security products. These products are used to protect the County against malware and cyber threats; provide comprehensive analysis of network activity, detection and response solutions, and wireless systems to increase visibility and functionality; and for deployment and management systems for both Cisco network and server-based platforms.

On July 28, 2020 (Item No. 37), the Board approved EULA No. 20-612, Universal Cloud Agreement (UCA) No. 20-613 and Letter of Agreement No. 20-614 as Amendment No. 1 to the EULA and UCA with Cisco, including non-standard terms, which governs the licensing of all Cisco on-premise software and cloud services for the period of July 28, 2020, through July 27, 2025. Cisco has since combined their EULA and UCA document into one EULA.

Approval of the EULA in Recommendation No. 1, which governs the use of all Cisco products and services, is non-financial in nature and will replace EULA No. 20-612 and UCA No. 20-613 with an updated agreement that includes both software usage and cloud services and does not commit the County to make any purchases. If future purchases are made under the EULA, ITD will adhere to County purchasing policies and return to the Board for approval, if necessary.

On August 25, 2020 (Item No. 29), the Board approved EA No. 20-669 with Cisco, including non-standard terms, for enterprise security software purchased from Cisco's authorized reseller Presidio, for the period of August 25, 2020 through August 24, 2023, in an amount not-to-exceed \$3,000,000.

The EA in Recommendation No. 2 governs the use of Cisco enterprise security software and cloud services, is non-financial in nature and does not commit the County to make any purchases. Cisco's preferred method of changing its standard contract terms is by amendment

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rather than making changes directly within their standard contract. The Letter of Agreement in Recommendation No. 3 is non-financial in nature and is the amendment that sets forth the revised EULA terms as negotiated between ITD and Cisco.

Cisco only sells enterprise security software products and cloud services through authorized resellers; Presidio was selected through a competitive invitation to bid (ITB) process. The total not-to-exceed amount of \$6,340,915 in Recommendation No. 4 covers the three-year period of August 25, 2023, through August 24, 2026, for enterprise security software and cloud services. ITD recommends authorizing the Purchasing Agent to issue purchase orders to Presidio for Cisco enterprise security licenses and cloud services to protect the County from potential security threats and enhance system operations.

The EULA and EA (collectively, "Agreement") are Cisco's standard commercial agreements, which include terms that differ from the standard County contract and omits certain County standard contract terms. While the parties negotiated certain contract terms to County standards, Cisco would not agree to all County standard terms. The non-standard and missing terms include the following:

1. The Agreement modifies certain standard County insurance requirements, including limiting naming the County as an additional insured solely to its commercial, automobile, and umbrella policies, and limiting its liability under those policies to liabilities that fall within Cisco's indemnity obligations.
  - The County standard contract requires contractors to carry appropriate insurance at limits and under conditions determined by the County's Risk Management Department and County Policy 11-07SP.
  - Potential Impact: By limiting its liability of the County's additional insured status to its indemnity obligations, Cisco has rendered naming the County as additional insured inapplicable since Cisco does not indemnify the County for any type of claim that would fall under the relevant policies.
2. Cisco's maximum liability to the County is limited to \$1,000,000, including its indemnity obligations, but excluding its gross negligence, willful misconduct, and violation of law.
  - The County standard contract does not include a limitation of liability.
  - Potential Impact: Claims could exceed the liability cap and the Agreement amount leaving the County financially liable for the excess.

ITD recommends approval of the Cisco EULA, EA, and Letter of Agreement, including non-standard terms, to allow ITD to continue to utilize Cisco enterprise security software, cloud services and video conferencing services as it would be cost prohibitive to switch to another vendor at this time due to the significant cost to replace current network hardware and software solutions, as well as implement, test and train staff on the new solutions..

ITD also recommends authorizing the Chief Information Officer to execute non-substantive amendments to the Agreements in Recommendation Nos. 1, 2 and 3. New requirements or technical revisions may arise and similar documents with non-substantive amendments may need to be executed. The authorization in Recommendation No. 4 will ensure timely approval of necessary amendments and avoid unnecessary delays and interruptions with use of software and cloud services.

**PROCUREMENT**

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On May 6, 2023, ITD released ITB No. ISD123-AD-5001 via the County's Electronic Procurement Network (ePro) for Cisco enterprise software and cloud services for the period of August 25, 2023 through August 24, 2026, from Cisco authorized resellers. The following three proposals were received, and Presidio was selected based solely on the lowest cost proposal. No protests were received:

<b>Vendor</b>	<b>Location</b>	<b>Total 3-Year Cost</b>
ConvergeOne	Ontario, CA	\$6,093,764
Netsync Network Solutions	Long Beach, CA	\$5,973,206
Presidio Networked Solutions Group, LLC	Pleasanton, CA	\$5,740,915

Cisco products are currently in use countywide and continue to meet the County's needs. To select a new product at this time would be cost prohibitive due to the significant downtime to implement, test and debug, and train staff on the new products. The EULA will be used to accompany future purchase orders issued to authorized resellers for Cisco enterprise security software, cloud services and video conferencing services, to be approved, as necessary, per County policy 11-04.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Bonnie Uphold, Supervising Deputy County Counsel, 387-5455) on July 26, 2023; Purchasing (Tevan Stremel, Buyer III, 387-2098) on July 7, 2023; Risk Management (Victor Tordesillas, Director, 386-8623) on July 20, 2023; Finance (Ivan Ramirez, Administrative Analyst, 387-4020) on August 1, 2023; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) August 7, 2023.

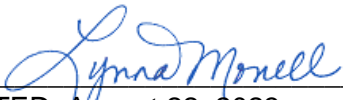
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Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

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

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: August 22, 2023



cc: IT - McClane w/agrees  
Contractor - c/o IT w/agree  
File - w/agree  
CCM 08/23/2023