

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

June 28, 2022

FROM

LARRY AINSWORTH, Chief Information Officer, Innovation and Technology Department

SUBJECT

Increase to Expenditure Authority for Contracts with International Business Machine Corporation for Enterprise Server Usage, Software Licensing with Support and Professional Services

RECOMMENDATION(S)

1. Authorize the Purchasing Agent to issue an increase to the expenditure authority (Contract No. 4400017219) in relation to the below contracts with International Business Machine Corporation to increase the total not-to-exceed amount by \$1,500,000, from \$4,323,000 to \$5,823,000, for enterprise server usage, software licensing with support, and professional services, with no change to the total period of August 1, 2021 through July 23, 2023.
 - a. Client Relationship Agreement, Contract No. 18-523.
 - b. IBM Attachment for Mainframe Software Maintenance, Contract No. 18-524.
 - c. IBM Attachment for Mainframe Monthly License Charge Programs, Contract No. 18-525.
 - d. Attachment for IBM System z Advanced Entry Workload License Charges, Contract No. 18-526.
 - e. International Passport Advantage Agreement, Contract No. 18-527.
 - f. International Agreement for Acquisition of Software Maintenance, Contract No. 18-528.
 - g. International Program License Agreement, Contract No. 18-529.
2. Authorize the Chief Information Officer to execute non-substantive amendments with International Business Machine Corporation as they pertain to changes to the proprietary enterprise server usage, software licensing with support, and professional services, subject to review by County Counsel, so long as such documents do not increase the total not-to-exceed amount of \$5,823,000 or change the duration of the contract.
3. Direct the Chief Information Officer to transmit all documents related to proprietary enterprise server usage, software licensing with support, and professional services to the Clerk of the Board of Supervisors within 30 days of execution.
(Presenter: Larry Ainsworth, 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 \$1,500,000 increase to the not-to-exceed contract amount will allow the Innovation and Technology Department (ITD) to purchase International Business Machine Corporation (IBM) enterprise server usage and software licensing with support, and professional services as necessary for the remainder of the contract period. The costs for the contract are included in the ITD Computer Operations 2021-22 and 2022-23 budgets and will be included in future budgets.

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ITD's operating costs are recovered via service rates approved annually by the Board of Supervisors (Board).

BACKGROUND INFORMATION

The ITD Enterprise Infrastructure Division manages multiple enterprise systems including the Enterprise Server, the Enterprise Content Management System and the Enterprise Data Infrastructure (collectively, IBM Systems). These IBM Systems serve many County departments and run countywide departmental applications, such as the Jail Information Management System, the Juvenile Network, the Property Information Management System, the Tax Collector Systems, and the Treasurer System. The IBM Systems utilize software licensing and support services only available through IBM. Professional services are required to implement new software products on the Enterprise Server and conduct system health checks, and IBM requires the payment of monthly license charges based on usage of the Enterprise Server.

Since 1997, the Board has approved annual purchase orders and agreements with IBM for ongoing licensing and support for IBM Systems. On July 24, 2018 (Item No. 21), the Board approved non-financial agreements with IBM listed in Recommendation No. 1, for the five-year period of July 24, 2018 through July 23, 2023.

The terms of the non-financial agreements with IBM govern purchases with and utilization of software licensing, support, and professional services from IBM for the five-year period of July 24, 2018 through July 23, 2023. On July 13, 2021 (Item No. 26), the Board authorized the Purchasing Agent to issue Contract No. 4400017219 (the expenditure authority) for IBM for the total not-to-exceed amount of \$4,323,000 for proprietary enterprise server usage, software licensing with support and professional services for the period of August 1, 2021 through July 23, 2023 under the previously approved non-financial agreements. This increase to the expenditure authority of Contract No. 4400017219 will be applied to the contracts listed in Recommendation No. 1 to increase the total not-to-exceed amount by \$1,500,000, from \$4,323,000 to \$5,823,000, and will allow for continued usage of the enterprise server, and the purchase of software licensing with support and professional services as needed for the remainder of the contract period.

ITD is recommending continuing the delegation of authority to the Chief Information Officer to execute non-substantive amendments with IBM related to changes to the proprietary enterprise server usage, software licensing with support, and professional services. All non-substantive amendments will be subject to review and approval by County Counsel and will not result in additional costs to be incurred by the County nor extend the duration of the contract. This delegation of authority is required to prevent project delays related to professional services engagements with IBM. As the project details and technical requirements for each professional services engagement are defined, statements of work or other similar documents that result in non-substantive amendments may be required to be executed. Also, as projects progress, additional requirements or technical corrections may be required, which would require change orders or other similar vendor forms that result in non-substantive amendments to be executed. Without the delegation of authority, new projects could be delayed and projects that are in progress could be halted for an extended period pending approval by the Board.

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PROCUREMENT

The IBM Systems utilize proprietary IBM software. Licensing and support services for IBM Systems are only available through IBM. The County has made a continuous investment in the current IBM Systems and changing to new platforms would not be cost effective at this time. Additionally, the County employs highly trained staff who are experienced with the existing IBM Systems and it would be exceedingly costly and disruptive to retrain staff to manage new platforms at this time. Purchasing concurs with the non-competitive justification for proprietary licensing and support.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Bonnie Uphold, Deputy County Counsel, 387-5455) on June 2, 2022; Purchasing (Tevan Stremel, Buyer III, 387-2092) May 31, 2022; Risk Management (Victor Tordesillas, Director, 386-8623) on May 5, 2022; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on June 13, 2022.

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 28, 2022



cc: File- Innovation and Technology
LA 07/8/2022