

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

December 19, 2023

**FROM**

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

**SUBJECT**

Agreements for Mainframe Managed Contractor Services

**RECOMMENDATION(S)**

1. Approve **Agreement No. 23-1391** with International Business Machines Corporation, including non-standard terms, for mainframe managed contractor services related to the County's Enterprise Server mainframe operating system, third party software, and database platforms, on an as-needed, fee-for-service basis, in a not-to-exceed amount of \$3,652,000 for the period of December 19, 2023 through December 18, 2026, with the option to extend for two additional one-year periods.
  2. Approve **Agreement No. 23-1392** with Vicom Infinity, Inc. for mainframe managed contractor services related to the County's Enterprise Server mainframe operating system, third party software, and database platforms, on an as-needed, fee-for-service basis, in a not-to-exceed amount of \$1,965,440 for the period of December 19, 2023 through December 18, 2026, with the option to extend for two additional one-year periods.
  3. Authorize the Chief Information Officer, or Assistant Chief Information Officer, to execute work orders against the agreements in Recommendations No. 1 and No. 2, provided the work orders do not exceed the total not-to-exceed amount and do not extend the term of the agreement.
  4. Authorize the Purchasing Agent to add, replace and delete contractor classifications, and adjust rates as needed in the agreements in Recommendations No. 1 and No. 2.
- (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 costs associated with International Business Machines Corporation (IBM) and Vicom Infinity, Inc. (Vicom) contractor agreements will be incurred on a fee-for-service basis for work performed for the County's Enterprise Server mainframe operating system (Mainframe). The initial annual cost is estimated to be \$627,000 for IBM and \$337,440 for Vicom. The remaining not-to-exceed amount of \$3,025,000 for IBM and \$1,628,000 for Vicom will allow ITD to purchase additional Mainframe managed contractor services, as needed, during the term of the agreements. Sufficient appropriation is included in ITD's Computer Operations 2023-24 budget and will be included in future recommended budgets.

**BACKGROUND INFORMATION**

ITD's Enterprise Infrastructure Division manages the County's Mainframe, which runs 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 Mainframe consists of two separate physical servers, one used for production and the other for disaster recovery and testing. Due to the age of the Mainframe and the introduction of new technologies, it has become increasingly difficult to recruit and retain staff who are qualified to maintain the Mainframe platforms. Without the necessary staff to support the Mainframe environment, these essential departmental applications could be at risk. IBM and Vicom are qualified and capable to provide skilled staff, including day-to-day support, maintenance, and monitoring of the Mainframe operation.

On June 27, 2023 (Item No. 67), the Board approved four non-financial agreements, including non-standard terms, with IBM, for enterprise server usage, software licensing with support, and professional services, for the period of July 24, 2023, through July 31, 2028. These agreements will also be applicable to the Mainframe managed contractor services with IBM.

Currently, there are a few County departments such as the Auditor-Controller/Treasurer/Tax Collector, the Assessor-Recorder-County Clerk, Probation Department, and the Sheriff/Coroner/Public Administrator that utilize Mainframe technology. The majority of County departments have already migrated to newer cloud-based technology. The remaining departments are researching newer technology solutions, which may gradually phase out Mainframe technology dependency in the future. These efforts to move away from Mainframe to newer technology, further necessitate Mainframe contractor services as the alternative would be to continue to devote County time and resources on recruitment efforts for technology from which the County is working to move away. Approval of Recommendations No. 1 and No. 2 will allow ITD to add contractor services, as needed, to provide technical assistance in supporting the Mainframe environment. County Policy 11-04 allows for the use of outside service providers when there is a need for specialized skillset.

The agreement with IBM is the County standard contract. IBM negotiated with the County to include terms that differ from the standard terms. The non-standard terms include the following:

1. The agreement does not include a waiver of subrogation for certain types of insurance.
  - (c) The County standard contract requires contractors to carry appropriate insurance at limits and under conditions determined by the County's Risk Management Department.
  - (d) Potential Impact: No waiver of subrogation may allow IBM's insurer to bring suit against the County, which could result in expenses that exceed the total agreement amount.
  
2. IBM's maximum liability to the County is limited to the greater of \$100,000, or amounts paid (if recurring charges, up to 12 months charges apply) for the product or service that is the subject of the claim, excluding IBM's indemnification obligations, gross negligence, willful misconduct and violations of law.
  - (c) The County standard contract does not include a limitation of liability.
  - (d) Potential Impact: Claims could exceed the liability cap and the agreement amount leaving the County financially liable for the excess.

**Agreements for Mainframe Managed Contractor Services  
December 19, 2023**

ITD recommends approval of the contractor services, including the non-standard terms, to provide ITD with the necessary staffing support to assist and maintain Mainframe operations, as necessary.

**PROCUREMENT**

On February 8, 2023, ITD released Request for Proposals (RFP) No. ISD123-ADM-4859 via the County's Electronic Procurement Network (ePro) for vendors to provide managed Mainframe contractor proposals to assist in managing the County's Mainframe for a period of five years. Five proposals were received as follows:

<b>Vendor</b>	<b>Location</b>	<b>Bid Amount</b>
Ensono, Inc.	Downers Grove, IL	\$6,615,412
First National Technology Solutions	Omaha, NE	\$4,964,160
IBM	Costa Mesa, CA	\$3,652,000
Maintec Technologies, Inc.	Raleigh, NC	\$1,330,560
Vicom	Farmingdale, NY	\$1,965,440

ITD is requesting an award to both IBM and Vicom based on qualifications, technical experience, and expertise with the Mainframe operating systems. Additionally, IBM and Vicom were the two lowest bidders that met the specifications of the RFP. Maintec Technologies, Inc., who provided the lowest bid, did not meet all specifications of the RFP, and therefore was not selected. No protests were received. ITD recommends awarding agreements to both IBM and Vicom to provide the most flexibility for ITD to issue work orders based on the respective department's current needs and requirements for the support of Mainframe operations.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Bonnie Uphold, Supervising Deputy County Counsel, 387-5455) on November 14, 2023; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on November 13, 2023; Risk Management (Victor Tordesillas, Director, 386-8623) on November 15, 2023; Finance (Iliana Rodriguez, Administrative Analyst, 387-4205) on December 4, 2023; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on December 5, 2023.

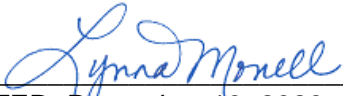
**Agreements for Mainframe Managed Contractor Services  
December 19, 2023**

Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

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

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: December 19, 2023



cc: IT - McClane w/agrees  
Contractor c/o IT w/agree  
File - w/agree  
MA 01/10/2024