

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

December 17, 2024

FROM

LYNN FYHRLUND, Chief Information Officer, Innovation and Technology Department

SUBJECT

Notice and Consent Agreement with Microsoft Corporation for Direct Payment to a Microsoft-Certified Partner for Professional Services

RECOMMENDATION(S)

1. Approve Notice and Consent **Agreement No. 24-1250** for Microsoft-Funded Partner Services with Microsoft Corporation, for direct payment by Microsoft Corporation to a certified partner for professional services to obtain proof of concept/pilot/assessment and related training, to enhance the benefits of Microsoft technology in its environment, in the not-to-exceed amount of \$150,000 contingent upon successful completion by March 15, 2025.
2. Authorize the Chief Information Officer to execute Microsoft's Proof of Execution form, as required by Microsoft, upon completion of the training services confirming the work was performed as required.

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

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

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

Pursue County Goals and Objectives by Working with Other Agencies and Stakeholders.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). Approval of the Notice and Consent Agreement (NCA) with Microsoft Corporation (Microsoft) to move forward with the comprehensive readiness assessment, proof of concept (POC), and pilot services with the Microsoft-certified partner will not result in additional costs to the Innovation and Technology Department (ITD). The NCA for Microsoft-Funded Partner Services provides for payment not-to-exceed \$150,000 from Microsoft to a Microsoft certified partner for professional services to obtain POC for software tools related to generative artificial intelligence (GenAI) productivity and creativity (i.e., Microsoft 365 Copilot) while utilizing enhanced information security and privacy controls (i.e., Microsoft Purview).

BACKGROUND INFORMATION

The County substantially utilizes Microsoft operating systems and related productivity and collaboration software applications such as Microsoft Word, Excel, PowerPoint, Teams, OneDrive, SharePoint, and Outlook. ITD manages the Microsoft platform for the County's enterprise licensing.

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Copilot is Microsoft's GenAI software tool that integrates into these Microsoft applications. This innovative technology provides features such as generating text, summarizing documents, creating images from text prompts, and even writing code, which will help users to work more efficiently, reducing manual effort and minimizing errors. Due to risks associated with GenAI usage, such as Copilot, ITD is implementing Purview to mitigate risks while appropriately managing and administering County data securely including maintaining the expected information privacy and compliance as required to ensure the County's regulatory obligations. This approach will mitigate GenAI associated information security and privacy risks.

As a part of the Copilot and Purview implementation, Microsoft is offering to pay a third-party certified partner \$150,000, on behalf of the County, to enable the County to obtain training services for a POC and pilot with a Microsoft certified partner. The POC and pilot will include a comprehensive assessment as part of their professional services prior to implementing Purview and assist with future implementation of Copilot, including full support throughout the POC and pilot. For Purview, this will include planning and design services to establish a minimum baseline for information security and privacy controls comprised of achieving the County's regulatory goals.

For Copilot, this will include a readiness assessment and other assistance to maximize the benefits of this new GenAI productivity toolset. Pursuant to the terms of the NCA, the County is required to provide proof of execution no later than March 15, 2025, in order to qualify for the payment of \$150,000, by Microsoft to the certified partner performing the services. At the conclusion of the POC, the Microsoft-certified partner will provide an executive summary of outcomes, and the County will evaluate expanding Copilot to other County employees that can benefit from its use.

ITD recommends approval of the NCA with Microsoft to move forward with the comprehensive readiness assessment, POC, and pilot services with the Microsoft-certified partner related to implementation of Purview and to assist with the future implementation of Copilot. This will allow the County to keep up with innovative technologies while gaining efficiencies and effectiveness by providing improvement capabilities to applicable County workforce.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Bonnie Uphold, Supervising Deputy County Counsel, 387-5455) on October 25, 2024; Purchasing (Jessica Barajas, Supervising Buyer, 387-2065) on October 25, 2024; Finance (Iliana Rodriguez, Administrative Analyst, 387-4205) on November 8, 2024; County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on November 13, 2024.


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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY  _____
DATED: December 17, 2024



cc: IT - Thomas w/agree
Contractor - c/o IT w/agree
File - w/agree
MBA 12/18/2024