

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

**April 8, 2025**

**FROM**

**ANDREW GOLDFRACH, ARMC Chief Executive Officer, Arrowhead Regional Medical Center**

**SUBJECT**

Agreement with Nth Generation Computing, Inc and Subscription Agreement with Tanium for the Purchase of Tanium Software Licenses

**RECOMMENDATION(S)**

1. Approve **Agreement No. 25-200** with Nth Generation Computing, Inc., for the purchase of Tanium Software Licenses, in a not to exceed amount of \$1,212,960, for the agreement period April 8, 2025 through April 7, 2028.
2. Approve non-financial Subscription **Agreement No. 25-201** with Tanium for the use of its software platform for the agreement period of April 8, 2025 through April 7, 2028.

(Presenter: Andrew Goldfrach, ARMC Chief Executive Officer, 580-6150)

**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 cost of \$1,212,960 is funded by State Medi-Cal, Federal Medicare, private insurances, and other departmental revenue. Funding sources may change in the future pending any legislative activity related to the repeal and/or replacement of the Affordable Care Act. Adequate appropriation and revenue have been included in the Arrowhead Regional Medical Center (ARMC) 2024-25 budget and will be included in the future recommended budgets.

**BACKGROUND INFORMATION**

The purchase agreement (Agreement) with Nth Generation Computing, Inc. (Nth Generation), referenced in Recommendation 1, will allow ARMC to purchase Tanium software licenses. The use of Tanium allows for the effective management and software compliance of all computer assets (workstations and servers), and for the install, update and removal of software on a flexible set of targets. The terms and conditions for the software platform licensed by Tanium allows ARMC to utilize Tanium's Endpoint Management and Cybersecurity platform to increase ARMC's security posture.

This security software purchase provides immense benefits and value to ARMC's security operations as well as the Information Security Program in terms of reducing ARMC's cybersecurity threat window and mitigate future threats. This software provides the means for ARMC to gain efficiency and effectiveness for incident response, including the application of

**Agreement with Nth Generation Computing, Inc and Subscription  
Agreement with Tanium for the Purchase of Tanium Software Licenses  
April 8, 2025**

appropriate security protections and controls. Additionally, this purchase is consistent with the strategic direction of the Innovation and Technology Department's Office of the Chief Information Security Officer.

The Tanium Subscription Agreement (Agreement) is Tanium's standard commercial contract, which includes terms that differ from the standard County contract and omits certain County standard contract terms. The non-standard and missing terms include the following:

1. Tanium may assign the Agreement without notice to the County and without the County's approval.
  - The County standard contract requires that the County must approve any assignment of the contract.
  - Potential Impact: Tanium could assign the Agreement to a third party or business with which the County is legally prohibited from doing business due to issues of Federal debarment or suspension and conflict of interest, without the County's knowledge. Should this occur, the County could be out of compliance with the law until it becomes aware of the assignment and terminates the Agreement.
2. All disputes arising under the Agreement must be settled by binding arbitration.
  - The County standard contract does not require arbitration.
  - Potential Impact: Binding arbitration decisions are not appealable. In addition, disputes that might otherwise be settled in small claims court would incur arbitration costs that could exceed the costs of a small claims action, and the Agreement amount.
3. County is required to indemnify Tanium against disputed taxes, including interest and penalties on the licensed software or support, by the taxing authorities. County is further required to indemnify Tanium against liabilities arising from claims that the software was imported, exported, accessed, or otherwise transported, by the County, in violation of applicable U.S. law. In addition, the County agrees to defend and indemnify Tanium and its affiliates from and against third party claims that arise out of: (A) the use or combination of the software with any third-party or County hardware, software, products, data or other materials; (B) modification or alteration of the software by anyone other than Tanium; (C) County's failure to implement any workaround that would have avoided the claim; (D) County's use of the software in breach of the Agreement; (E) any third-party components; or (F) a business method or process that is inherent to County's business.
  - The County standard contract does not include any indemnification or defense by the County of a contractor.
  - Potential Impact: By agreeing to indemnify Tanium, the County could be contractually waiving the protection of sovereign immunity. Claims that may otherwise be barred against the County, time-limited, or expense limited could be brought against Tanium, without such limitations, and the County could be responsible to defend and reimburse Tanium for costs, expenses, and damages, which could exceed the total Agreement amount.
4. The Agreement does not require Tanium to meet the County's insurance standards as required pursuant to County Policies, 11-05, 11-07 and 11-07SP.
  - County policy requires contractors to carry appropriate insurance at limits and under conditions determined by the County's Risk Management Department and as set forth in County policy and in the County standard contract.

**Agreement with Nth Generation Computing, Inc and Subscription  
Agreement with Tanium for the Purchase of Tanium Software Licenses  
April 8, 2025**

- Potential Impact: The County has no assurance that Tanium will be financially responsible for claims that may arise under the Agreement, which could result in expenses to the County that exceed the total Agreement amount.
5. Tanium's maximum liability to the County is limited to the fees paid by the County for the software, in the 12 months prior to the event giving rise to the claim, without exception, or \$500 for any claims arising from the use of evaluation or preview software.
- 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.
6. County's right to bring legal claims is limited to one year after the County becomes aware of the circumstances that resulted in the claim.
- The County standard contract does not include a limit on the time to bring action.
  - Potential Impact: Limiting the County's ability to bring suit to one year, amounts to a waiver of the statute of limitations for claims and shortens the period of time in which the County may file a lawsuit under the Agreement. Tanium's right to bring claims is not similarly limited, so Tanium may bring claims any time within any statute of limitations.
7. The County may not terminate the Agreement for convenience.
- County Policy 11-05 requires that the County have the right to terminate the contract, for any reason, with a 30-day written notice of termination without any obligation other than to pay amounts for services rendered and expenses reasonably incurred prior to the effective date of termination.
  - Potential Impact: The County can only terminate the Agreement during the term for an uncured breach by Tanium. Any attempted termination by County without cause could result in payment liability for the full Agreement amount, which could result in payment liability where no funds are available due to lack of allocation or loss of funding.
8. Venue for disputes arising under the Agreement is in San Francisco, California.
- County Policy 11-05 requires venue for disputes in Superior Court of California, County of San Bernardino, San Bernardino District.
  - Potential Impact: Having a venue in San Francisco, California may result in additional expenses that exceed the amount of the Agreement.

ARMC recommends approval of the Agreement, including non-standard terms, to provide for the safety, health and social service needs of County residents by allowing ARMC to reduce costs, improve quality of care, and increase overall reimbursement to ARMC.

**PROCUREMENT**

The County Administrative Office approved Invitation to Bid (ITB) No. ARMC125-ARMC-5676 for Tanium Software Licenses for release on November 5, 2024. The ITB was released through the County's Electronic Procurement (ePro) network. Seven proposals were received in response to the ITB and are listed below. Proposed costs were reviewed. Nth Generation proposed the lowest cost and ARMC determined that Nth Generation best meets ARMC's needs and recommends award of a contract.

**Agreement with Nth Generation Computing, Inc and Subscription  
Agreement with Tanium for the Purchase of Tanium Software Licenses  
April 8, 2025**

<b>Proposer</b>	<b>Locations</b>
Axelliant LLC	Torrance, CA
MoreDirect, Inc. dba Connection	Boca Raton, FL
Nth Generation Computing, Inc.	San Diego, CA
Software Information Resource Corp	Washington, DC
vCloud Tech Inc.	Rolling Hills Estates, CA
Veteran Enhanced Technology Solutions	McClellan Park, CA 95652
vPrime Tech Inc.	Houston, TX

On January 16, 2025, a tentative award letter was sent to Nth Generation. On that same day, the unsuccessful agencies were notified in writing that they may protest the qualification review by submitting a formal protest letter to Purchasing within 10 calendar days of the non-selection letters. No protests were received.

The Purchasing Department approves this procurement based on the formal, competitive solicitation referenced above.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Bonnie Uphold, Supervising Deputy County Counsel, 387- 5455) on March 7, 2025; Purchasing (Veronica Pedace, Buyer III, 387-2198) on March 7, 2025; Risk Management (Gregory Ustaszewski, Staff Analyst II, 386-9008) on March 10, 2025; Innovation and Technology (Robert Pittman, Chief Information Security Officer, 388-5510) on March 10, 2025; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on March 17, 2025; Finance (Jenny Yang, Administrative Analyst, 387-4884) on March 19, 2025; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387- 5423) on March 19, 2025.

**Agreement with Nth Generation Computing, Inc and Subscription  
Agreement with Tanium for the Purchase of Tanium Software Licenses  
April 8, 2025**

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: April 8, 2025



cc: ARMC - Goldfrach w/agree  
Contractor - c/o ARMC w/agree  
File - w/agree

MBA 04/9/2025