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

August 19, 2025

FROM

LYNN FYHRLUND, Chief Information Officer, Innovation and Technology Department

SUBJECT

Participation in the California County Information Service Directors Association Enterprise for Microsoft Corporation Enterprise Licenses

RECOMMENDATION(S)

- Authorize County departments to participate in the California County Information Service Directors Association Enterprise Agreement No. 25-645, as amended, including nonstandard terms, between Riverside County and the Microsoft Corporation, governing the use of enterprise licenses, for the period beginning June 30, 2026, and continuing until terminated by either party.
- 2. Authorize the Purchasing Agent to sign forms as required by Microsoft Corporation, for enrollment in the California County Information Service Directors Association Enterprise Agreement, subject to review by County Counsel.

(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 additional Discretionary General Funding (Net County Cost). Participating in the California County Information Service Directors Association Enterprise Agreement (CCISDA EA) between Riverside County and the Microsoft Corporation (Microsoft) allows the County to purchase Microsoft enterprise licenses at a reduced cost for government entities. Final costs are obtained via a competitive process with resellers known as Licensing Solution Providers (LSP). County departments are required to ensure there is adequate appropriation within their respective annual departmental budgets for the cost of the Microsoft enterprise licenses during the updated contract term.

BACKGROUND INFORMATION

The County utilizes numerous computer systems that rely on Microsoft operating systems, including tools like Microsoft 365 for email and documents, SharePoint for sharing files, and Active Directory for managing user access. Participation in the CCISDA EA allows County departments to obtain quotes for Microsoft enterprise licensing at a reduced cost and enroll using an LSP.

CCISDA EA (No. 8084445), negotiated between Microsoft and Riverside County is available to all California public entities and was established using a competitive request for proposal

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process that conforms to the guidelines of the County. Participation in the CCISDA EA allows County departments to purchase licensing at a reduced cost. The County has leveraged the CCISDA EA for many years to govern the use of enterprise licenses and obtain competitive quotes and enrollment documents from an LSP.

On May 23, 2023 (Item No. 40), the Board approved Agreement No. 23-454 to authorize County departments to participate in the CCISDA EA (No. 8084445), using a competitive procurement process that meets County guidelines, including non-standard terms, between Riverside County and Microsoft for enterprise licenses for the period of July 1, 2023, through June 30, 2026.

On January 30, 2020, Riverside County and Microsoft executed an amendment to the CCISDA EA extending the contract term to remain in effect until terminated by either party. Matching the term will streamline County enrollments by making the EA available to County departments with different enrollment terms.

The CCISDA EA includes terms that differ from the standard County contract and omits certain standard terms. The CCISDA EA is Riverside County's agreement with Microsoft, which has terms that are pre-established and non-negotiable. The non-standard and missing terms include the following:

- The County is required to indemnify Microsoft against any third party claim that County data
 or non-Microsoft software hosted in an online service by Microsoft on the County's behalf,
 misappropriates a trade secret or directly infringes a patent, copyright, trademark or other
 proprietary right of a third party; or the County's use of any Microsoft product or fix violates
 the law or damages a third party.
 - The County standard contract does not include any indemnification or defense by the County of a contractor.
 - Potential Impact: By agreeing to indemnify Microsoft, 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 Microsoft without such limitations and the County would be responsible to defend and reimburse Microsoft for costs, expenses, and damages, which could exceed the total amount paid by the County under the CCISDA EA.
- 2. The CCISDA EA does not require Microsoft to meet the County's insurance standards as required pursuant to County Policy 11-07.
 - The County Policy requires contractors to carry appropriate insurance at limits and under conditions determined by the County's Risk Management Department and set forth in the County standard contract.
 - <u>Potential Impact</u>: The County has no assurance that Microsoft will be financially responsible for claims that may arise from the County's use of the software, which could result in expenses to the County that exceed the total CCISDA EA.
- 3. Microsoft limits its maximum liability under the CCISDA EA to direct damages finally awarded in an amount not-to-exceed the amount the County was required to pay for the applicable products during the term of the CCISDA EA, subject to a limit of 12 months before the incident giving rise to a claim related to online services \$5,000 for free products. The limits exclude defense obligations and violation of the other party's intellectual property rights.

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- The County standard contract does not include a limitation of liability.
- <u>Potential Impact</u>: Claims could exceed the liability cap and the total amount paid by the County under the CCISDA EA leaving the County financially liable for the excess.

The Innovation and Technology Department recommends authorizing the County to participate in the CCISDA EA for the period beginning June 30, 2026, and continuing until terminated by either party to streamline enrollments for other County departments to have access to pricing levels for Microsoft enterprise licenses. Participation in the EA will govern the use of enterprise licenses which will be purchased through an enrollment with an LSP, after a competitive bid process per County Policy, with a specified term.

PROCUREMENT

No additional procurement is required for this item. County departments utilizing the CCISDA EA are required to obtain competitive bids from a minimum of three of the LSPs and select the LSP with the lowest cost. The Purchasing Department supports the use of the CCISDA EA with Riverside County as the LSP vendors were competitively bid and participating provides the lowest cost method for County departments to acquire these licenses.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Bonnie Uphold, Supervising Deputy County Counsel, 387-5455) on August 4, 2025; Purchasing (Joni Yang, Buyer III, 387-2065) on August 4, 2025; Risk Management (Greg Ustaszewski, Staff Analyst II, 386-9008) on July 16, 2025; and County Finance and Administration (Ivan Ramirez, Administrative Analyst, 387-4020) on August 1, 2025.

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

Lynna Monell, CLERK OF THE BOARD

DATED: Arigust 19, 2025



cc: IT - Thomas w/agree

Contractor - c/o IT w/agree

File - w/agree

MBA 08/20/2025