



COUNTY OF HUMBOLDT

For the meeting of: 12/13/2022

File #: 22-1616

To: Board of Supervisors

From: County Administrative Office

Agenda Section: Consent

SUBJECT:

Microsoft Enterprise Agreement with Dell Inc. Regarding the Provision of Software Licenses and Support and Hosting Services and Supplemental Budget for the County Administrative Office Information Technology Division Budget Unit 3550-118 (4/5 Vote Required)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Waive the requirements of the Humboldt County Nuclear Free Ordinance with regard to the attached Microsoft Enterprise Agreement with Dell Inc.;
2. Approve, and authorize the Chair of the Board to execute, the attached Microsoft Enterprise Agreement with Dell Inc., and related documents attached hereto, regarding the provision of software licenses and support and hosting services required for the continued use of the Microsoft O365 Online platform;
3. Authorize the Humboldt County Purchasing Agent, or a designee thereof, to execute any and all subsequent amendments to the attached Microsoft Enterprise Agreement with Dell Inc., after review and approval by County Counsel, Risk Management and the County Administrative Office; and
4. Approve the attached supplemental budget for the County Administrative Office Information Technology Division budget unit 3550-118 in the amount of One Hundred Thirty-Nine Thousand Seven Hundred Seventy-Five Dollars (\$139,775.00) for fiscal year 2022-2023 (4/5 Vote Required).

SOURCE OF FUNDING:

Information Technology Internal Service Fund (3550-118)

DISCUSSION:

On August 24, 2021, the Humboldt County Board of Supervisors approved a Professional Services Agreement with AgreeYa Solutions, Inc. regarding the creation of a Microsoft Office 365 Feature Implementation Plan. On May 18, 2022, AgreeYa Solutions, Inc presented the finalized Feature Implementation Plan at the IT Executive Meeting, which includes representatives from all Humboldt County departments. After careful analysis of the recommendations and input from the Humboldt County Department of Health and Human Services - Information Services Division, Humboldt County

Department of Child Support Services - Information and Technology Division, and the County Administrative Office's Information Technology Division and Information Security, IT Executive Meeting representatives requested the addition of Azure Active Directory Premium P1 licenses for all staff to deploy Multi-Factor Authentication needed to prevent a potential data breach through commonly available exploits allowing bad actors to gain access to county user accounts and shared data. These adjusted licenses are reflected in the attached Microsoft Enterprise Agreement ("MEA") with Dell Inc.

Additional recommendations from AgreeYa Solutions, Inc. suggest obtaining licensing for Microsoft Intune for use in county-wide Mobile Device Management for desktop workstations and mobile devices such as laptops and cell phones replacing existing technologies that vary in each department. Microsoft Intune allows for device inventory, separation of work and personal data for cell phones, and the ability to deactivate and/or wipe confidential information remotely in the event of equipment theft or loss. Intune licensing will be made available to departments for an additional prorated annual cost and charged back to the department on a per-user basis at approximately One Hundred Thirty-Four Dollars (\$134.00) per user per year. This is not included in the supplemental budget transfer. A single placeholder M365 G3 Unified GCC StepUp license is reflected in the attached MEA with Dell Inc. Recommendations for additional staffing needed to support O365 feature implementation and ongoing maintenance will be evaluated and any additional staffing needs will be brought before the Board of Supervisors for approval at a later date.

On December 13, 2016 and January 7, 2020, the Humboldt County Board of Supervisors approved the previous MEAs with Dell Inc. regarding the provision and continued use of software licenses, support and hosting services required to use the Microsoft O365 Online program. The attached MEA with Dell Inc. will allow the Information Technology Division of the Humboldt County Administrative Office to obtain software licenses and support and hosting services that are required for the County of Humboldt's continued use of the O365 Online platform.

Section 6.8 - Cooperative Purchases of the Humboldt County Purchasing Policy allows the County of Humboldt to acquire services and pricing through an existing contract with other governmental entities. The attached MEA with Dell Inc. is a cooperative purchase agreement for Microsoft product licensing and maintenance as negotiated by Riverside County with discounted prices that have been made available to all California counties.

The following items regarding the attached MEA with Dell Inc. should be taken into consideration:

- The requirements of the Humboldt County Nuclear Free Ordinance must be waived prior to approval and execution of the attached MEA with Dell Inc., since Microsoft will not modify its standard agreement to accommodate local ordinances.
- Dell Inc. has been notified in writing that it is required by California law to prepare and maintain accurate and complete financial, performance and payroll records relating to the

licenses and services provided pursuant to the terms and conditions of the attached MEA, and these records must be made available to the California State Auditor, and any other duly authorized local, state, or federal agencies, for a period of three (3) years after expiration or termination of the MEA.

- Dell Inc. has been notified in writing that the attached MEA, and all related documents attached hereto, will be posted on the County of Humboldt's website and made available to the public upon request in accordance with the laws of the State of California, including, without limitation, the Brown Act and the Public Records Act.

Accordingly, staff recommends that the Board approve, and authorize the Chair of the Board to execute, the attached MEA with Dell Inc., and all related documents attached hereto, regarding the provision of software licenses and support and hosting services required for the continued use of the Microsoft O365 Online platform. Staff also recommends that the Board authorize the Humboldt County Purchasing Agent, or a designee thereof, to execute any and all subsequent amendments to the attached MEA with Dell Inc., after review and approval by County Counsel, Risk Management and the County Administrative Office in order to avoid unnecessary delays in the provision of needed software licenses and support and hosting services.

FINANCIAL IMPACT:

The total cost incurred under the attached MEA with Dell Inc. is approximately Two Million Two Hundred Nine Thousand Six Hundred Forty Dollars (\$2,209,640) for a period of three (3) years. The annual cost is Seven Hundred Thirty-Six Thousand Five Hundred Forty-Seven Dollars (\$736,547.00) and includes the following breakdown: Seven Hundred Twelve Thousand Three Hundred Forty-Seven Dollars (\$712,347.00) for the Office365 Implementation project, Seventeen Thousand Eight Hundred Ten Dollars (\$17,810.00) for network infrastructure, and Six Thousand Three Hundred Ninety Dollars (\$6,390.00) for department add-on licenses such as Power BI, Visio, and Microsoft Project.

Licensing costs for the Office365 implementation project will be allocated based on the number of licensed users per department as part of the Information Technology Internal Service Fund charges. Costs for network infrastructure as indicated in Dell quote Section 1 - Licenses and Software Assurance will be allocated based on the number of licenses required per department as part of the Information Technology Internal Service Fund charges.

The adopted fiscal year 2022-2023 budget for Information Technology budget unit 3550-118 included Five Hundred Eighty-Two Thousand Eight Hundred Eighty-Eight Dollars (\$582,888.00) for the Office365 license renewal. Attached is a supplemental budget for the increased cost of One Hundred Thirty-Nine Thousand Seven Hundred Seventy-Five Dollars (\$139,775.00). The price increase is due to the addition of the recommended Azure AD Premium P1 licensing for One Hundred Twenty-Three Thousand Fifty Dollars (\$123,050.00) for cyber security enhancements and Six Thousand Four Hundred Nine Dollars (\$6,409.00) for license cost increases from Microsoft for all products. The supplementary budget request also includes Ten Thousand Three Hundred Sixteen Dollars (\$10,316.00) for the SQL server licenses that were not included in the fiscal year 2022-2023

Information Technology budget or part of O365 implementation project. These expenses will be calculated in future fiscal years through Information Technology Internal Service Fund charges.

Departments were charged approximately Two Hundred Forty-Three Dollars (\$243.00) per licensed user per year. Next fiscal year, departments will be charged approximately Two Hundred Ninety-Seven Dollars (\$297.00) per licensed user per year, which represents an increase of twenty-two percent (22%). Anticipated cost increases have been shared with departments.

The Humboldt County General Fund will incur a cost increase of approximately Forty-Five Thousand One Hundred Thirty Dollars (\$45,130.00) annually for the overall Office 365 feature implementation project.

STRATEGIC FRAMEWORK:

The recommended actions support the Board of Supervisors' Strategic Framework by managing resources to ensure sustainability of services and providing for and maintaining technological infrastructure.

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board may choose not to approve the attached MEA with Dell Inc. regarding the provision of software licenses and support and hosting services required for the continued use of the Microsoft O365 Online platform. However, this alternative is not recommended as it will not allow for the continued provision of vital email services, security enhancements and productivity software.

ATTACHMENTS:

1. Humboldt County Microsoft Enterprise Agreement with Dell
2. Microsoft Enterprise Agreement
3. Amendment to Contract Documents
4. Microsoft Product Selection Form
5. Microsoft Program Signature Form
6. Supplemental Budget for County Administrative Office's Information Technology Division
Budget Unit 3550-118

PREVIOUS ACTION/REFERRAL:

Board Order No.: C-10, C-11, C-7

Meeting of: 12/13/2016, 1/7/2020, 8/24/2021

File No.: 16-8934, 19-1763, 21-1171