

**MEMORANDUM
COUNTY OF PLACER
ADMINISTRATIVE SERVICES DEPARTMENT
PROCUREMENT SERVICES DIVISION**

TO: Honorable Board of Supervisors
FROM: Jim Boggan, Purchasing Manager *JB*
DATE: April 6, 2010
SUBJECT: Approve the One-Year Extension of a Five-Year Microsoft Enterprise Software Licensing Agreement in the Amount of \$405,793.60.

ACTION REQUESTED

Approve the one-year extension of a five-year Microsoft Enterprise software licensing agreement with Dell Inc. and authorize the Purchasing Manager to execute the related contractual documents in the amount of \$405,793.60.

BACKGROUND

On March 29, 2005 your Board approved a five-year agreement for annual licensing and maintenance of the Microsoft products utilized by Placer County. That agreement will expire on April 30, 2010. The Administrative Services Department's Information Technology Division has negotiated a one-year extension to the current agreement with Microsoft. The extension being recommended for approval reflects a 500 user license decrease over prior years resulting in a net savings of \$42,563.46.

Placer County currently uses Microsoft software products on desktop computers and servers that reside on the County's Enterprise Data Network, as well as standalone computers. These products include Windows 2003/2007, Office ProPlus (Excel, Outlook, PowerPoint, Publisher, Word, and Access), and Core Client Access Licenses (Windows Server, System Management Services, and SharePoint Portal Server).

Microsoft offers an Enterprise Agreement to entities such as Placer County that purchase larger quantities of Microsoft products. This agreement provides discounted prices for licensing, maintenance and product upgrades. Riverside County has negotiated an Enterprise Agreement with Microsoft that is available for use by other California public agencies. Because Riverside County's usage volume is significantly higher, pricing under their agreement is about 12% less than what Placer County could secure under our own agreement. Section 1.3(e)(3) of the Purchasing Policy Manual permits the use of other government agencies' agreements. The agreement provides agencies the option of purchasing the products and support from any of five firms. All five firms were invited to provide competitive quotes on the Placer County's requirements. Dell Inc. submitted the lowest quote and was selected as the vendor. The new Microsoft Enterprise software licensing agreement effective period will be May 1, 2010 through April 30, 2011.

FISCAL IMPACT

The resulting purchase order from this recommendation will not exceed \$405,793.60 and funding to support the one-year extension of the Microsoft Enterprise software licensing agreement is budgeted within the Administrative Services Department's Information Technology Divisions FY09/10 Budget Unit (11040).

Attachment: Fiscal Impact Statement

cc: Clark Moots, Director of Administrative Services

FISCAL IMPACT STATEMENT

TO: Honorable Board of Supervisors

FROM: Clark Moots, Director of Administrative Services



DATE: April 6, 2010

SUBJECT: **Fiscal Impact Statement**

Approve the One-Year Extension of a Five-Year Microsoft Enterprise Software Licensing Agreement in the Amount of \$405,793.60.

On March 29, 2005 your Board approved a five-year agreement for annual licensing and maintenance of the Microsoft products utilized by Placer County. That agreement will expire on April 30, 2010. The Administrative Services Department's Information Technology Division (Department) has negotiated a one-year extension to the current agreement with Microsoft. The extension being recommended for approval reflects a 500 user license decrease over prior years resulting in a net savings of \$42,563.46.

The Department has budgeted appropriately for this request and funding is available within the Administrative Services Department's Information Technology Divisions FY09/10 Budget Unit (11040).