

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

**TO:** Honorable Board of Supervisors  
**FROM:** Jim Boggan, Purchasing Manager *JB*  
**DATE:** March 22, 2011  
**SUBJECT:** Approve the Award of Competitive Price Quote RQ052187 to Dell, Inc. for a Three-Year Microsoft Enterprise Software Licensing Agreement in the Annual Amount of \$397,701.88.

**ACTION REQUESTED**

Approve the award of competitive Price Quote RQ052187 to Dell, Inc. of Dallas, TX for a three-year Microsoft Enterprise Software Licensing Agreement, and authorize the Purchasing Manager to execute the related contractual documents at an annual cost of \$397,701.88.

**BACKGROUND**

On April 6, 2010 your Board approved a one-year extension of a five-year Microsoft Enterprise Software License Agreement for annual licensing and maintenance of the Microsoft products utilized by Placer County. That agreement expires on April 30, 2011.

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 provides discounted pricing for Enterprise Software Licensing Agreements to entities such as Placer County that purchase larger quantities of Microsoft products. During previous years, Placer County has evaluated several cost savings alternatives towards procuring the most cost effective Enterprise Software Licensing Agreement. The most favorable alternative is Riverside County's negotiated 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.

The Riverside County agreement provides public agencies the option of purchasing Microsoft products and services from a list of five qualified firms. The Procurement Division solicited competitive quotes from all five firms based on Placer County's requirements. Dell Inc. submitted the lowest responsive quote and is being recommended as the County's Microsoft products and services support vendor.

The new three-year Enterprise Software Licensing Agreement with Dell, Inc. includes an overall cost savings of approximately \$47,000 from the original agreement awarded in 2005. These savings are primarily due to a reduction of over 700 user licenses and products attributed to changes in technology, employee retirements, and attrition. The effective period for the new Dell, Inc. Microsoft Software Licensing Agreement will be February 1, 2011 through January 31, 2014. This new period starts approximately three months prior to the expiration of the current contract due to the need of

combining several individual Microsoft Select Agreements for standalone licenses and products purchased during the previous contract period into a more cost effective Enterprise Licensing Agreement platform.

Section 1.3(e) (3) of the Purchasing Policy Manual permits the use of other government agencies' agreements for the purchase of products and services provided they are of comparable description and quality. The Riverside County Microsoft Software Licensing Agreement meets this criterion.

### **FISCAL IMPACT**

The annual cost resulting from the award of Price Quote RQ052187 for the recommended Microsoft Software Licensing Agreement is \$397,701.88. The Administrative Services Department's Information Technology Division (1104) has budgeted appropriately for this expense during Fiscal Year 2010/11 and will include this amount in future budgets for the remainder of the contract agreement.

Cc: Clark Moots, Director of Administrative Services  
Kathy Buchanan, Deputy Director of Information Technology  
Andy Marks, Information Technology Manager  
Sandy Hammock, Senior Administrative Services Officer  
Ron Baker, Senior Administrative Services Officer