



M E M O R A N D U M
COUNTY EXECUTIVE OFFICE
Procurement Services Division
County of Placer

TO: Board of Supervisors DATE: June 23, 2020
FROM: Todd Leopold, County Executive Officer
By: Brett Wood, Purchasing Manager
SUBJECT: Annual Software Licensing and Support – Various Firms

ACTION REQUESTED

Approve the award of negotiated agreements with Oracle America Inc. of Redwood City CA, Columbia Ultimate Business Systems Inc. of Vancouver WA, Megabyte Systems Inc. of Rocklin CA, NEKO Industries Inc. of Roseville CA, Tiburon Inc. of Lake Mary FL, CDW Government LLC of Vernon Hills IL, SHI International Corp. of Somerset NJ, Quest Media & Supplies Inc. of Roseville, CA, and ServiceNow Inc. of Santa Clara, CA for annual software licensing and support in the maximum aggregate amount of \$2,350,000 funded by various departments' FY 2020-21 Requested Budgets.

Approve the option to renew the resulting agreements for two additional one-year terms in the maximum annual amount of \$2,350,000 and authorize change orders not to exceed a cumulative amount of \$100,000, consistent with the Procurement Policy.

Authorize the Purchasing Manager to sign all required documents, subject to departmental concurrence and available funding.

BACKGROUND

The Information Technology Department (IT) and the Sheriff's Office contract with various firms for annual licensing and support services for a wide variety of software systems. On June 13, 2017 your Board approved the renewal of agreements with several firms for support and/or licensing of several substantial software systems, and authorized additional renewal periods through June 30, 2020. Additional systems have been implemented since that time. Cylance and Mimecast licenses were purchased under the Purchasing Manager's authority. Annual renewal of Box and Okta licenses and support for the ServiceNow system were previously approved by your Board.

A list of the subject software systems is shown on the next page.

Name of Software System	Name of Firm	Managing Dept.	Current Contract No.	Current Expiration Date	Current Renewal Cost
Oracle Databases	Oracle America Inc.	IT	SCN101657	06/30/2020	\$297,026
CUBS – Revenue Services’ Database	Columbia Ultimate Business Systems Inc.	IT	SCN101759	06/30/2020	\$200,000
Property Tax Management System	Megabyte Systems Inc.	IT	SCN101743	06/30/2020	\$385,158
Hyland’s OnBase – Document Management	Neko Industries, Inc.	IT	Various	Various	\$204,450
Integrated Public Safety System	Tiburon Inc.	Sheriff	SCN101983	06/30/2020	\$419,000
Box Licenses	CDW-G Inc.	IT	PO102105	05/10/2021	\$167,200
Okta Licenses	CDW-G Inc.	IT	PO101598	11/30/2020	\$221,744
Mimecast Licenses	SHI International Corp.	IT	PO101452	11/18/2020	\$103,796
Cylance Licenses	Quest Media & Supplies	IT	PO100710 PO101192	06/30/2020	\$133,650
ServiceNow Service Management	ServiceNow, Inc.	IT	PO101535	08/31/2020	\$170,790
TOTAL:					\$2,302,814

Oracle Databases – Oracle America Inc.

Oracle has been the County's standard database management software since 1997. This software is used for several databases within the County including the current financial system (PAS), the Human Capital Management system (ACORN), and various other department-specific applications. Standardization provides efficiency in support, integration, and monitoring. Oracle has provided a quote in the amount of \$297,026 for the upcoming support period. This is a 4.0% increase from the current support period, which is consistent with Oracle’s standard annual increase.

CUBS Revenue Services Database - Columbia Ultimate Business Systems (CUBS)

The Revenue Services Division of the County Executive Office utilizes a database and information management system designed and produced by Columbia Ultimate Business Systems (CUBS). A software license fee and software support fee must be paid to CUBS each year in order to maintain use and support of the system. Revenue Services also uses CUBS’ mailing services for statements and correspondence generated from the database. CUBS has provided a quote for license and support for the upcoming support period of July 1, 2020 through June 30, 2021. Pricing for all modules is approximately 3% higher than the current support period. Revenue Services has requested renewal of the agreement in the same maximum amount of \$200,000.

It should be noted that although CUBS maintains the current system to the best of its ability, it is more than 20 years old and uses software processes that are obsolete. Ontario Systems LLS who is the parent company to CUBS has developed a replacement system that is based on more current technology and is more efficient than the old system. Revenue Services has budgeted for the replacement in the upcoming FY 2020-21 and will seek your Board’s approval for the purchase of the new system at a future date.

Property Tax System – Megabyte Systems Inc.

The County has been contracting with Megabyte Systems since July 1995 to provide software maintenance for the Property Tax System application, database, and server operating system. The

Assessor, Auditor, Tax Collector, and Clerk of the Board share this system to manage the property tax assessment, billings, payments, and property tax appeals. Megabyte is the software licensor and the only vendor authorized to provide the necessary support for this system.

Megabyte has provided a quote in the amount of \$385,158 for the next year of support and maintenance. This is a 2.3% increase over the current support period, in accordance with the terms of the contract.

Hyland OnBase Document Management – Neko Industries, Inc.

OnBase is a cloud-based, Countywide Electronic Document Management System (EDMS). In September 2016 your Board approved a countywide initiative to convert the previous document management system from Hyland's Sire software (on-site system) to Hyland's more efficient OnBase (cloud based) software system. The IT Department provided oversight and the effort was broken down into several smaller more manageable projects. The OnBase software is owned and licensed by Hyland. Hyland provides ongoing software license and support services through authorized service partners. Hyland's partner Neko Industries Inc. provided the County's conversion service and has been providing the ongoing support for all segments of the system.

The cost of support for each segment of the system has remained constant for the past 3 years, and is guaranteed not to increase by more than 5% each year. The maximum estimated cost for the next year for all portions of the system is \$204,450.

Integrated Public Safety System – Tiburon Inc.

The Sheriff's Office has been utilizing software owned and published by Tiburon Inc. for their Integrated Public Safety System. The system includes modules for the Sheriff's Computer-Aided Dispatch, Mobile CAD, Records Management, and Corrections Management functions. The system has been in use since 2005 with the CAD module being last upgraded in 2019, the Records module upgrade being completed this Fall and the Corrections module being upgraded in 2021.

Tiburon has provided a quote in the amount of \$419,001 for the next year of support and maintenance. This is a 5% increase over the current support period, in accordance with the terms of the contract.

Box Software Licenses – CDW Government Inc.

The IT Department is responsible for the security of the County's data files that move into and out of the County's network and various systems. Many County users have a legitimate business need to share files with other public agencies and/or individuals who do not have access to the County's network. One way of doing this is to use external, web-based file-sharing platforms. In 2017, the Department selected Box as the County's collaborative file sharing solution for not only external use but also for internal use between County departments and divisions. At present, Box continues to meet the County's strict information technology security standards.

There are currently 1100 Box licenses in use. The licenses must be renewed each year. Box does not sell licenses directly, they must be purchased through an authorized reseller. CDW Government Inc. offers favorable pricing to the County under a contract awarded by the State of California. Section 3.5A of the Placer County Procurement Policy permits the use of other public agency contracts without further competitive bidding. The state contract offered by CDW-G qualifies for this exemption.

Okta Software Licenses – CDW Government Inc.

The IT Department has been using Okta software for single sign-on and multi-factor authentication services since December 2015. Okta is necessary security control to protect County data in the cloud and is used

as an integral security control in the Workday application, Box (file sharing) application, and several others. The use of Okta to validate user credentials provides expedited access to the applications, saves data entry and processing time by users, and saves support staff time and effort by eliminating the need to maintain and manage separate user credentials for each application.

There are currently 3200 Okta licenses in use. The licenses must be renewed each year. Okta does not sell licenses directly, they must be purchased through an authorized reseller. CDW Government Inc. offers favorable pricing to the County under a contract awarded by the State of California. Section 3.5A of the Placer County Procurement Policy permits the use of other public agency contracts without further competitive bidding. The state contract offered by CDW-G qualifies for this exemption.

Mimecast – SHI International Corp.

Email security is a critical part of the County's overall information security posture. Phishing email attacks increase in sophistication every week. Most network intrusions and ransomware attacks begin with a phishing email. In November, 2019 IT replaced the 10-year old solution using Barracuda software with Mimecast Secure Messaging to increase the capacity to block malicious email messages. Mimecast is a cloud service which provides inspection of incoming and outgoing mail, spam and phishing protection, email encryption service and Data Loss Prevention.

IT currently maintains 2800 user licenses for Mimecast secure messaging. The licenses must be renewed each year. Mimecast only sells its licenses through authorized resellers. SHI offers favorable pricing to the County through an OMNIA Partners cooperative pricing agreement which is available to public agencies. SHI has provided quote in the total amount of \$103,796 for the next license year. This increase is consistent with annual Mimecast's standard annual increases and continues to be very favorable pricing. Section 3.5B of the Placer County Procurement Policy permits the use of such cooperative agreements without further competitive bidding.

Cylance – Quest Media & Supplies Inc.

The IT Department has used Cylance software to detect and eliminate cyber threats to the County network since March 2018. This software uses artificial intelligence (AI) to identify and block known and unknown ransomware, advanced threats, and malware from running on the devices that may encounter the malicious software. There are currently 3300 Cylance licenses in use, which must be renewed each year. Cylance does not sell licenses directly, they must be purchased through an authorized reseller. Quest Media and Supplies Inc. of Roseville, CA has traditionally offered the most favorable pricing to the County, under a contract awarded by the State of California. Pricing under this contract is estimated to be 40-50% lower than Cylance's standard price. Quest has provided a quote for a 3-year license term, in the total amount of \$133,650. This multi-year purchase will provide an estimated savings of \$11,000 per year, or a total of \$33,000.

Section 3.5A of the Placer County Procurement Policy permits the use of other public agency contracts without further competitive bidding. The state contract offered by Quest Media qualifies for this exemption.

ServiceNow Service Management – ServiceNow Inc.

On September 15, 2015, your Board approved the award of competitive Request for Proposals No. 10474 to implement ServiceNow's Service Management software. This software is a work ticketing application that IT uses to manage its daily work. It provides a systematic process for recording requests for service, tracks staff efforts to resolve them, and automates billing for service when appropriate. The current software support period will expire on August 31, 2020. ServiceNow has provided pricing for the next year of support in the amount of \$170,790. Renewing support assures optimum use of the system.

SUMMARY

Upon your Board's approval, agreements will be renewed for the software systems itemized above. Actual renewal amounts will be negotiated within the existing terms of each respective agreement, not to exceed an aggregate amount of \$2,350,000.

FISCAL IMPACT

Funding for these support services are in each department's Requested Budget for FY 2020-21. Funding for the optional renewal periods will be in each department's requested budget for future budget years.

