



Contra
Costa
County

To: Board of Supervisors
From: Marc Shorr, Chief Information Officer
Date: February 28, 2023

Subject: Purchase Order with California Department of Technology for Microsoft Licenses

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Purchasing Agent to execute, on behalf of the Chief Information Officer, Department of Information Technology, a purchase order with California Department of Technology (CDT) in an amount not to exceed \$7,600,000 for the procurement of G5 Microsoft 365 software licenses through the CDT Enterprise Licensing Agreement with Microsoft for the period of May 1, 2023, through April 30, 2026.

FISCAL IMPACT:

The cost for the CDT contract will be paid in three annual installments and will be charged to user departments on a per license basis. (100% User Departments)

BACKGROUND:

Currently, many County departments utilize G3 licenses which lack specific security, active directory and business intelligence tools that are now required to secure the County's intellectual assets and promote collaboration in the Microsoft government cloud. The County's executive leadership and the CIO, in collaboration with County departments and stakeholders, have determined that the County shall standardize on Microsoft licensing to a level appropriate

APPROVE OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **02/28/2023** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Ken Carlson, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: February 28, 2023

Monica Nino, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: Sarah Bunnell,
925-608-4023

cc:

BACKGROUND: (CONT'D)

for the changing security and technology environment through “G5” Microsoft 365 licensing. DOIT is procuring this licensure for all County departments, except for Public Works and Health Services.

In 2021, CDT entered into an agreement with Microsoft authorized reseller Crayon Software Experts LLC (Crayon) that allows all public agencies to purchase Microsoft G5 licenses at the lowest available cost. DoIT will procure Microsoft 365 (M365) licensing through a CDT negotiated, competitively bid contract with Crayon. As a result of procuring Microsoft licensing through the CDT contract, DoIT will cease its commitment to obtain Microsoft “G3” licenses through Insight Public Sector, Inc., for contract years two and three, which ends April 30, 2025.

Crayon is one of a limited number of Microsoft Licensing Solutions Providers (LSPs) that are authorized to transact software/subscriptions via a Microsoft Enterprise Agreement licensing program. Crayon is the LSP that was selected by CDT, after a competitively bid Request for Offer Process, to manage the CDT M365 G5 Agreement. The CDT contract with Crayon began on May 1, 2021, and runs through April 31, 2026, and will allow the County to reserve the required licenses by using an online application process through CDT.

As a party to CDT’s Service Catalog General Terms and Conditions, which offers volume licensing discounts, with projected three-year savings of \$2,208,579 for DoIT compared to purchasing G5 licenses under our current Microsoft Enterprise Agreement. DoIT will utilize the contract starting on May 1, 2023 and participate for the remaining 3 years of the contract which ends on April 30, 2026.

CDT has negotiated M365 licensing through a competitive bid process which started at a 25% discount from year-one pricing with discounts that decrease over the contract term of five years. CDT will charge administrative fees of approximately 2.71% to broker/manage the statewide Enterprise Licensing Agreement and an additional 3.5% fee for license distribution.

The CDT contract with Crayon means that the County will be a Microsoft enrolled affiliate under the Enterprise Agreement between Microsoft and Riverside County. Microsoft contracts with a local agency in the state (previously San Bernardino, and now Riverside), and then permits other local agencies in the state to enroll under that agreement as affiliates. At its March 8, 2022 meeting, the Board of Supervisors authorized the Health Services Director, or her designee to enter into the governing CDT agreement for HSD to purchase Microsoft G5 licenses for its department. The procurement of Microsoft G5 licenses pursuant to this board order will be governed by the County’s CDT agreement entered into by HSD.

Approval of this purchase order will enable DoIT to continue to meet the County’s requirement of protecting intellectual property produced in or for the County. Additionally,

the purchase of the G5 licenses will allow County departments to provide enhanced user experiences for County and Non-County members, while reducing our cyber risks.

CONSEQUENCE OF NEGATIVE ACTION:

If this purchase is not approved, the County will need to procure these licenses utilizing other existing purchasing agreements at a significantly higher cost to adequately provide the County with the ability to safely protect the County's intellectual property.

CHILDREN'S IMPACT STATEMENT:

None.