



## BOARD OF SUPERVISORS AGENDA ITEM REPORT CONTRACTS / AWARDS / GRANTS

☐ Award ☒ Contract ☐ Grant

Requested Board Meeting Date: 5/7/19

\* = Mandatory, information must be provided

or Procurement Director Award ☐

**\*Contractor/Vendor Name/Grantor (DBA):**

Microsoft Corporation

**\*Project Title/Description:**

Microsoft Premier Support

**\*Purpose:**

Amendment of Award: Master Agreement No. MA-PO-16-369, Amendment No. 04. This Amendment extends the termination date to 05/24/20, expands the existing support services and adds Designated Support Engineering services as described in the Microsoft Enterprise Services Work Order, and a one-time increase of \$600,000.00 for a cumulative not-to-exceed contract amount of \$1,280,000.00.  
Administering Department: Information Technology.

**\*Procurement Method:**

Pursuant to Pima County Procurement Code 11.12.050, Sole Source Procurement, on 06/21/16, the Board of Supervisors approved an award of contract for an initial term of one (1) year and an annual award amount of \$240,000.00. Contract allows for one-year renewal periods and remains in effect until terminated.

On 02/09/17, the Procurement Director approved Amendment No. 01 to extend the termination date to 06/20/18 and added the annual award amount of \$240,000.00 for a cumulative not-to-exceed contract amount of \$480,000.00.

On 05/25/17, the Procurement Director approved Amendment No. 02 to change the effective and expiration dates to enable Microsoft to apply the Software Assurance Benefit (SAB) to the upcoming Premier Contract to avoid lapse in coverage.

On 02/02/18, the Procurement Director approved Amendment No. 03 to extend the termination date to 05/24/19 and to add a partial annual award amount of \$200,000.00 for a cumulative not-to-exceed contract amount of \$680,000.00.

PRCUID: 218507

Attachment: Contact Amendment No. 04 and Department Memo.

**\*Program Goals/Predicted Outcomes:**

Continued use and support of Microsoft Premier Support Services.

**\*Public Benefit:**

Continuous hands-on assistance and immediate escalation for urgent issues which speeds resolutions and helps keep our mission-critical systems up and running.

**\*Metrics Available to Measure Performance:**

Percent of up-time of web content.

**\*Retroactive:**

No

To: CoB 5-1-18 (1)  
Addendum  
Ver: 8  
Pgs: 13 pgs.

MAY 01 19PM 11/28 PCD/KCF RD  
JW

**Contract / Award Information**

Document Type: \_\_\_\_\_ Department Code: \_\_\_\_\_ Contract Number (i.e., 15-123): \_\_\_\_\_

Effective Date: \_\_\_\_\_ Termination Date: \_\_\_\_\_ Prior Contract Number (Synergen/CMS): \_\_\_\_\_

☐ Expense Amount: \$\* \_\_\_\_\_ ☐ Revenue Amount: \$ \_\_\_\_\_**\*Funding Source(s) required:**Funding from General Fund? ☐ Yes ☐ No If Yes \$ \_\_\_\_\_ % \_\_\_\_\_Contract is fully or partially funded with Federal Funds? ☐ Yes ☐ No**\*Is the Contract to a vendor or subrecipient?**Were insurance or indemnity clauses modified? ☐ Yes ☐ No

If Yes, attach Risk's approval

Vendor is using a Social Security Number? ☐ Yes ☐ No

If Yes, attach the required form per Administrative Procedure 22-73.

**Amendment / Revised Award Information**

Document Type: MA Department Code: PO Contract Number (i.e., 15-123): 16-369

Amendment No.: 04 AMS Version No.: 08

Effective Date: 05/25/19 New Termination Date: 05/24/20

Prior Contract No. (Synergen/CMS): \_\_\_\_\_

☒ Expense or ☐ Revenue ☒ Increase ☐ Decrease Amount This Amendment: \$ 600,000.00Is there revenue included? ☐ Yes ☒ No If Yes \$ \_\_\_\_\_**\*Funding Source(s) required:** General FundFunding from General Fund? ☒ Yes ☐ No If Yes \$ 600,000.00 % 100**Grant/Amendment Information** (for grants acceptance and awards) ☐ Award ☐ Amendment

Document Type: \_\_\_\_\_ Department Code: \_\_\_\_\_ Grant Number (i.e., 15-123): \_\_\_\_\_

Effective Date: \_\_\_\_\_ Termination Date: \_\_\_\_\_ Amendment Number: \_\_\_\_\_

☐ Match Amount: \$ \_\_\_\_\_ ☐ Revenue Amount: \$ \_\_\_\_\_**\*All Funding Source(s) required:****\*Match funding from General Fund?** ☐ Yes ☐ No If Yes \$ \_\_\_\_\_ % \_\_\_\_\_**\*Match funding from other sources?** ☐ Yes ☐ No If Yes \$ \_\_\_\_\_ % \_\_\_\_\_**\*Funding Source:** \_\_\_\_\_**\*If Federal funds are received, is funding coming directly from the Federal government or passed through other organization(s)?**Contact: Eric Welch, Procurement Officer *Eric Welch* Denise Waldorf, DirectorDepartment: Procurement *May 14/19* Telephone: 520-724-9540Department Director Signature/Date: *Denise Waldorf* 4/24/19Deputy County Administrator Signature/Date: *John Barker* 4-30-19County Administrator Signature/Date: *C. Duckert* 5/1/19  
(Required for Board Agenda/Addendum Items)



## MEMORANDUM

INFORMATION TECHNOLOGY

Date: April 30, 2019

To: Mary Jo Furphy  
Procurement Director

From: Dan Hunt  
Chief Information Officer

Re: Microsoft Master Agreement No. MA-PO-16-369

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There is an increased cost as we move from our current level of Microsoft Legacy Support to the Premier Unified Support model. The Premier Unified Support model provides the following additional benefits that ITD determined were of great value for the price:

- Unlimited support calls with Microsoft support;
  - Within the Microsoft Legacy Support contract, every hour/minute we were engaged with Microsoft support trying to resolve a problem was tracked. When we ran out of minutes/hours, we no longer had access to Microsoft support teams.
  - With Premier Unified Support, we can open as many support calls as needed, regardless of the amount of time it takes with Microsoft to resolve the problems.
- We can request Preferred Field Engineering resources to provide oversight and guidance for any Microsoft projects County IT is working on at no additional cost. In the Legacy Support model, this time counted against our bank of hours we were required to purchase up front, without knowing what issues we would experience throughout the contract year.
- Training used our prepaid hour credits in the Legacy Support model as well. Training is now included in the Premier Unified Support agreement.
- This support model also includes Onsite Preferred Field Engineering engagements. Again, with the Legacy Support model, this was something we had to plan into our prepaid hours.

In addition to changing the support model, Central IT has been involved in two critical service engagements with Microsoft (Access Control List X-ray and Active Directory Hardening) in the recent past, where the outputs were mainly informational in nature. Based on our previous understanding of contract, we had Microsoft come in and work alongside our team to understand our environment, perform in depth analysis on our Active Directory environment, provide us with tools to re-evaluate our environment after remediation efforts had taken place, and provide us with documentation identifying what items required remediation. The information received from the engagements was quite valuable, but the way in which the engagements were designed left ITD staff having to do all of the remediation work, while continuing with daily operations (projects for departments, and work orders for things that were broken). The items noted in these engagements have yet to be addressed as ITD hasn't had the capacity to address all of the work already in our queues for Departments County wide.

Mary Jo Furphy, Procurement Director  
Re: Microsoft Master Agreement No. MA-PO-16-369  
April 30, 2019  
Page 2 of 2

In the early iterations of the new Microsoft engagements (Enhanced Security Administrative Environment, Privileged Access Management, and Hybrid Cloud Foundations), Microsoft suggested a similar arrangement in working with their team. The first justification provided was based on such an arrangement. After an in depth discussion with our Infrastructure Services team, it became painfully obvious that we do not have the staff to complete the projects we had already had with Microsoft, so we agreed it would be best to have Microsoft on-site to actually complete the work that had been identified in their project output documentation. Our only way to accomplish that and truly gain the full benefit of the two engagements, was to enlarge our budget for the Microsoft Premier contract. Over the years ITD has typically used the Microsoft Premier Contract to provide us with information output, but after further discussion found that it can also be used to have Microsoft engineers on-site to actually complete work.

Again, as these three new engagements were discussed, we determined that we did not want to be in the situation again, and determined that we needed Microsoft to actually do the heavy lifting for us, up front. Because of that, the scope of work was modified accordingly. The engagements already approved by the Board include Microsoft doing the work, and Pima observing and learning. This way, at the end of the engagements, the work will be complete, and our team will have learned how to maintain and support the environments. With Microsoft doing the work on these three projects, ITD will be able to keep up with our already heavy work load, without causing service interruptions to County Departments.

To clarify the information provided in the "Support Services descriptions", our interpretation is that Microsoft is reserving the right to change the language of the descriptions provided. We don't believe this is something we need to be too concerned with. From previous experience, if Microsoft makes a major change to the services descriptions or no longer offers a specific service, they will honor what they agreed to, or they will offer to compensate for it with another service of value to the County. The Support Services Descriptions are publicly published descriptions. These are not descriptions that are specific to Pima County. If Microsoft chooses to change anything within the descriptions that would impact our services, it would not only impact Pima County, but would impact all organizations with a Premier Unified Support contract.

DH/mk

<b>Pima County Department of Information Technology</b>  <b>Project: Microsoft Premier Support</b>  <b>Contractor: Microsoft Corporation</b> PO Box 844510 Dallas, TX 75284-4510 Mary Coward v-macowa@microsoft.com  <b>Contract No.: MA-PO-16-369</b>  <b>Contract Amendment No.: Four (04)</b>	
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<b>Orig. Contract Term:</b> 06/21/2016 - 06/20/2017	<b>Orig. Amount:</b>	\$240,000.00
<b>Termination Date Prior Amendment:</b> 05/24/19	<b>Prior Amendments Amount:</b>	\$440,000.00
<b>Termination Date This Amendment:</b> 05/24/20	<b>This Amendment Amount:</b>	\$600,000.00
	<b>Revised Total Amount:</b>	\$1,280,000.00

#### CONTRACT AMENDMENT

1. **Background.** On 06/21/16, County and Contractor entered into the above referenced agreement to provide Microsoft Premier Support. The original Contract was for a one year term expiring on 06/21/2017 with extension options. The Contract also has a not-to-exceed amount of \$240,000.00.
2. **Term.** The parties have renewed the Term of the Contract and it terminates on 05/24/20.
3. **Maximum Payment Amount.** The maximum amount the County will spend under this Contract, as set forth in Exhibit A, Section 2.A. Contract Term/Renewals, Revisions, and Not to Exceed Contract Amount, is increased by \$600,000.00. County's total payments to Contractor under this contract, including any sales taxes, will not exceed \$1,280,000.00.
4. **Scope of Services.** The parties have revised the Microsoft Enterprise Services Work Order as described in attached **Exhibit B** (7 pages).

The effective date of this Amendment is May 25, 2019.

[The remainder of page intentionally left blank]

All other provisions of the Contract not specifically changed by this Amendment remain in effect and are binding upon the parties.

PIMA COUNTY

\_\_\_\_\_  
Chairman, Board of Supervisors

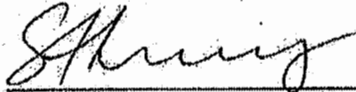
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Date

ATTEST

\_\_\_\_\_  
Clerk of the Board

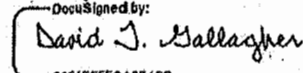
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Date

APPROVED AS TO FORM

  
\_\_\_\_\_  
Stacey Roseberry, Deputy County Attorney

4/17/19  
\_\_\_\_\_  
Date

Microsoft Corporation

DocuSigned by:  
  
CSF4FFFE0A7E46D...

\_\_\_\_\_  
Authorized Officer Signature

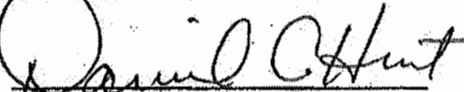
David T. Gallagher Director of Contracts

\_\_\_\_\_  
Printed Name and Title

4/18/2019

\_\_\_\_\_  
Date

APPROVED AS TO CONTENT

  
\_\_\_\_\_  
Department Head

4/18/19  
\_\_\_\_\_  
Date



## Microsoft Enterprise Services Work Order

(For Microsoft Internal Purposes Only)

Work Order Number

T002195-230390-269984

This Work Order consists of the terms and conditions below, and the provisions of the Microsoft Master Services Agreement U7871866 effective as of 6/21/2016 (the "Agreement"), the provisions of the Support Services Description applicable to the Support Services identified in this Work Order, and any attachments or exhibits referenced in this Work Order, all of which are incorporated herein by this reference. In this Work Order "Customer," "you," or "your" means the undersigned customer or its affiliate and "Microsoft," "we," "us," or "our" means the undersigned Microsoft affiliate.

By signing below the parties acknowledge and agree to be bound to the terms of this Work Order, the Agreement and all other provisions incorporated in them. This Work Order is effective as of the date that Microsoft signs this Work Order. Regardless of any terms and conditions contained in a purchase order, if any, the terms of this Work Order apply.

Customer	Microsoft Affiliate
Name of Customer (please print) <b>Pima County</b>	Name <b>Microsoft Corporation</b>
Signature	Signature DocuSigned by: <i>Marc Hogrefe</i> 0349CF5688A2434
Name of person signing (please print)	Name of person signing (please print) Marc Hogrefe
Title of person signing (please print)	Title of person signing (please print) Services Solutions Specialist
Signature date	Signature date (effective date) 4/11/2019
Name of Customer or its Affiliate that executed the Agreement (if different from Customer above)	

Customer invoice information		
Name of Customer Pima County		Contact Name (Receives invoices under this Work Order) Ken Mayer
Street Address Accounts Payable PO BOX 791		Contact E-Mail Address Ken.Mayer@pima.gov
City Tucson	State/Province Arizona	Phone 520 7248087
Country United States	Postal Code 85701	Fax

## 1. Support Services and Fees

### 1.1. Term.

Microsoft Enterprise Support Services will commence on 5/25/2019 (the "Support Commencement Date") and will expire on 5/24/2020 (the "Support Expiration Date").

### 1.2. Description of the Services.

Please refer to the current Support Services Description ("SSD") which will be incorporated by reference and is published by Microsoft from time to time at <http://www.microsoft.com/en-us/microsoftservices/PubSec-support-services-description>. The support services you purchase under this agreement may be updated from time to time and that update will supersede any services previously listed.

### Services by Support Location

Pima County Advanced		
Quantity	Service	Service Type
Included	Advanced Advisory Support Hours As-needed	Advisory Services
2 ea	Advanced Built-in Proactive Services <ul style="list-style-type: none"> <li>Advanced Built-in Proactive Services - Generic</li> </ul>	Administrative
Included	Advanced Problem Resolution Hours As-needed	Problem Resolution Support
Included	Advanced Service Delivery Management	Service Delivery Management
Included	On-demand Assessment	On-Demand Assessment



1 ea	On-Demand Assessment - Setup and Config Service	On-Demand Assessment
Included	On-demand Education	On-Demand Education
Included	Online Support Portal	Administrative
20 ea	Reactive Enabled Contacts	Problem Resolution Support
Included	Webcasts As-Needed	Webcast

Pima County Add On		
Quantity	Service	Service Type
24 ea	Onsite Visit	Onsite Support
1050 ea	Proactive Credits	Proactive Credits
Included	Service Delivery Management Extended	Service Delivery Management

Pima County DSE		
Quantity	Service	Service Type
800 hr	Designated Support Engineering Search	Designated Support Engineering
1 ea	Onsite - DSE	Onsite Support

### 1.3. Support Services Fees.

The items listed in the table above represent the services that Customer has pre-purchased for use during the term of this Work Order, and applicable fees are shown in the table below. Microsoft Support Services are a non-refundable prepaid service. Microsoft must receive Customer purchase order or payment before Microsoft commences or continues, as applicable, provision of Microsoft Support Services. If Customer issues a purchase order, Microsoft will invoice Customer, and Customer agrees to pay Microsoft within 30 calendar days of the date of Microsoft invoice. Microsoft reserves the right to adjust Microsoft fees prior to entering into any changes to the Microsoft Support Services ordered herein.

Services Summary	Billing Date	Fee USD
Pima County Advanced	5/25/2019	\$185,435.20
Advanced Add On	5/25/2019	\$139,496.00
Pima County DSE	5/25/2019	\$255,316.80
Subtotal		\$580,248.00
Software Assurance Benefits *		(\$82,845.00)
<b>Total Fees (excluding taxes)</b>		<b>\$497,403.00</b>

**Software Assurance Benefits**

\* Customer will transfer 63 Software Assurance PRS incidents to this support agreement as part of this support package.

**Support for Microsoft Products**

Microsoft will provide support for Customer's licensed, commercially released and generally available Microsoft products, and cloud services subscriptions by Customer in Appendix A.

**1.4. Customer Named Contacts.**

Any changes to the named contacts should be submitted to Microsoft Contact.

Name of Customer Support Service Administrator Ken Mayer		
Street Address 33 N Stone Ave. (12th Floor)		Contact E-Mail Address Ken.Mayer@pima.gov
City Tucson	State/Province Arizona	Phone 520 7248087
Country United States	Postal Code 85701	Fax

**Use, ownership, rights, and restrictions.****1.5. Products.**

"Product" means all products identified in the Product Terms, such as all Software, Online Services and other web-based services, including pre-release or beta versions. Product availability may vary by region. "Product Terms" means the document that provides information about Microsoft Products available through volume licensing. The Product Terms document is published on the Volume Licensing Site (<http://www.microsoft.com/licensing/contracts>) or successor site) and is updated from time to time.

All products and related solutions provided under this Work Order will be licensed according to the terms of the license agreement packaged with or otherwise applicable to such product. Customer is responsible for paying any licensing fees associated with Products.

## **1.6. Fixes**

"Fixes" means Product fixes, modifications, enhancements, or their derivatives, that Microsoft either releases generally (such as service packs), or that Microsoft provides to Customer when performing Professional Services (all support, planning, consulting and other professional services or advice, including any resulting deliverables provided to Customer under this Work Order, to address a specific issue. "Professional Services" means Product support services and Microsoft consulting services provided to Customer under this Work Order. "Professional Services" or "services" does not include Online Services, unless specifically noted.

Fixes are licensed according to the license terms applicable to the Product to which those Fixes relate. If the Fixes are not provided for a specific Product, any other use terms Microsoft provides with the Fixes will apply.

## **1.7. Pre-existing Work.**

"Pre-existing Work" means any computer code or other written materials developed or otherwise obtained independent of this Work Order.

All rights in Pre-existing Work shall remain the sole property of the party providing the Pre-existing Work. Each party may use, reproduce and modify the other party's Pre-existing Work only as needed to perform obligations related to Professional Services.

## **1.8. Services Deliverables.**

"Services Deliverables" means any computer code or materials, other than Products or Fixes that Microsoft leaves with Customer at the conclusion of Microsoft's performance of Professional Services. Upon payment in full for the Professional Services, Microsoft grants Customer a non-exclusive, non-transferable perpetual, fully paid-up license to reproduce, use and modify the Services Deliverable, solely in the form delivered to Customer and solely for Customer's internal business purposes, subject to the terms and conditions of this Work Order.

## **1.9. Affiliates' rights.**

"Affiliate" means any legal entity that a party owns, that owns a party, or that is under common ownership with a party. "Ownership" means, for purposes of this definition, control of more than a 50% interest in an entity.

Customer may sublicense the rights contained in this subsection relating to Services Deliverables to its Affiliates, but Customer's Affiliates may not sublicense these rights and Customer's Affiliates' use must be consistent with the license terms contained in this Work Order.

## **1.10. Restrictions on use.**

Customer must not (and must not attempt to) (1) reverse engineer, decompile or disassemble any Product, Fix, or Services Deliverable, (2) install or use non-Microsoft software or technology in any way that would subject Microsoft's intellectual property or technology to obligations beyond those included in this Work Order; or (3) work around any technical limitations in the Products or Services Deliverables or restrictions in Product documentation. Except as expressly permitted in this Work Order, Customer must not (1) separate and run parts of a Product on more than one device, upgrade or downgrade parts of a Product at different times, or transfer parts of a Product separately; or (2) distribute, sublicense, rent, lease, lend, or use any Product, Fix, or Services Deliverable to offer hosting services to a third party.

#### **1.11.Reservation of rights.**

All rights not expressly granted are reserved to Microsoft.

#### **Microsoft Contact**

Customer contact for questions and notices about this Work Order.

Microsoft contact name	
Kris Caceres	
Phone	Contact e-mail address
+1 (916) 3693624	krisc@microsoft.com

## **Appendix A**

Below is a list of your declared licensed products and cloud services for which Microsoft will provide support services as defined within this document.

Customer Name	Licensing Program	Licensing Enrollment/Agreement Number
Pima County	Enterprise 6	6636670
Pima County	Select Plus	7461114