

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS**

**AGENDA ITEM SUMMARY**

**Meeting Date:** 12/19/06       **Consent**       **Regular**  
 **Ordinance**       **Public Hearing**

**Department:** Submitted By: Palm Beach County ISS  
Submitted For: Palm Beach County ISS

**I. EXECUTIVE BRIEF**

**Motion and Title:** Staff recommends motion to approve: Microsoft Enterprise Agreement with Software House International, Inc. pursuant to the State of Florida Term Contract number 255-001-01-1 to purchase software and software maintenance in the amount of \$1,052,108 per year for a three year period, effective October 1, 2006.

**Summary:** Palm Beach County departments and agencies are migrating to Microsoft Active Directory as the single enterprise directory service and Microsoft Exchange as the single enterprise e-mail environment. This project will require the purchase of several new Microsoft software products. In addition, our licenses for the Microsoft Word office suite will be renewed for the three year period. This strategic direction was presented to and endorsed by the countywide Technology Architecture Committee. Specific rationale for this decision is presented in the business case titled "Microsoft Exchange Migration." An Enterprise Agreement (EA) has been negotiated which will provide for the purchase of the required products and software assurance for a period of three years. There will be an offset of approximately \$100,000 in annual software license maintenance costs that will be saved with the elimination of Novell GroupWise licenses.

In addition to the software purchase, ISS has also submitted a separate Board agenda item (3-U-5) requesting approval of a Consulting Services Work Order with Microsoft for assistance with the project. Countywide (PK)

**Background and Justification:** The first electronic mail package used in Palm Beach County was "PROFS" (Professional Office System) which was introduced during the late 1980s. PROFS was used primarily by some of the constitutional officers and was phased out during the early 1990s as County agencies began deploying the Microsoft Outlook and Novell GroupWise e-mail packages. Unfortunately, the split between these products started from the outset and has continued to this day.

The goal of unifying all county agencies on a single e-mail and calendaring system has long been discussed within the County, but this is the first time that a project has been conceptually approved to proceed in this direction.

The genesis of the early split between two different product sets can be traced back to the fact that ISS was, at the time, an organizational unit under the Property Appraiser's Office. During the 1980s, and especially during the 1990s, Board Departments began to establish their own organizations of computer technicians to administer their information technology systems. A highly decentralized model of IT organizations evolved.

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**Attachments:**

- 1) 2 originals of Microsoft Enterprise Enrollment Agreements
- 2) Copy of State of Florida Term Contract number 255-001-01-1
- 3) A Business Case for Standardizing on Microsoft Exchange for Unified Messaging and Collaboration

Recommended by: Steve Budelson Department Director      12/18/06 Date

Approved by: [Signature] County Administrator      12/19/06 Date

**II. FISCAL IMPACT ANALYSIS**  
**A. Five Year Summary of Fiscal Impact:**

Fiscal Years	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Capital Expenditures	\$1,052,365	\$1,052,365	\$1,052,365	\$0	\$0
Operating Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
External Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Program Inc (County)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
In-Kind Match (County)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>NET FISCAL IMPACT</b>	<b><u>\$1,052,108</u></b>	<b><u>1,052,108</u></b>	<b><u>\$1,052,108</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
# Additional FTE Positions (Cumulative)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Is Item Included in Current Budget? Yes X No   

Budget Account No.: Fund 3901 Dept 491 Unit 1263 Object 6405  
 Budget Account No.: Fund 3901 Dept 491 Unit 1272 Object 6405  
 Budget Account No.: Fund 3901 Dept 491 Unit 1283 Object 6405  
 Budget Account No.: Fund 3901 Dept 491 Unit 1284 Object 6405

**B. Recommended Sources of Funds/Summary of Fiscal Impact:**

Capital Outlay fund New Technology RR&I FY06 available funding	\$ 7,000
Capital Outlay fund Enterprise Email System available funding	\$ 214,059
Capital Outlay fund New Technology RR&I FY07 available funding	\$ 631,049
Capital Outlay fund New Technology FY07 available funding	<u>\$ 200,000</u>
	<u>\$1,052,108</u>

The expense in fiscal years 2008 and 2009 will be included in the operating budget requests.

**C. Departmental Fiscal Review:**

Robert A. Basal 12/11/06

**III. REVIEW COMMENTS**

**A. OFMB Fiscal and/or Contract Administration Comments:**

Additional consulting contract (\$35,941) is being requested on agenda item 3-4-5 for implementation of this migration  
John D. [Signature] 12-12-06 OFMB Actv 12-11-06 ON file  
[Signature] 12/14/06 Contract Administration

**B. Legal Sufficiency:**

Paul F. [Signature] 12/15/06  
 Assistant County Attorney

**C. Other Department Review:**

\_\_\_\_\_  
 Department Director

**Background and Justification: (continued)**

In 1992, a committee under the leadership of ISS was established to select an e-mail and calendaring package for implementation within County government. This committee included representation from numerous Board departments and constitutional offices. After an evaluation of the competing products, the Committee selected Novell GroupWise. However by this time, some of the Board departments had already installed the Microsoft Outlook e-mail package and chose to continue using this software rather than converting to GroupWise.

Today that split still exists, with the County departments and agencies divided into two basic realms: Microsoft-centric organizations and Novell-centric organizations. During the past year, the Technology Architecture Committee (TAC) endorsed several initiatives which, over time, will unify and change the direction of the County's technology infrastructure. The TAC membership broadly represents the County departments and agencies which manage separate information technology staffs.

Eliminating either of the two existing (GroupWise and Exchange) e-mail and calendaring packages installed in the County with standardization on a single solution would be preferable than the existing split between the software products. However, eliminating Microsoft in lieu of GroupWise is not a realistic option. ISS has selected Microsoft .Net as its web development suite, the County has a large installed base of Microsoft Word users, and, as previously noted, has more than 2,000 Microsoft Exchange seats spread among various Board departments and constitutional officers.

The Enterprise Agreement (EA) proposed by Microsoft will provide for the purchase of new products required for the migration to Microsoft Exchange as the single enterprise e-mail environment and Microsoft Active Directory as the single enterprise directory service and software assurance related to those new products for a three year period.

Palm Beach County was under the EA for Microsoft Office products but made a tactical decision to allow the agreement to expire at the end of September 2005 since Microsoft did not have any significant software releases planned for the renewal period. As part of the migration project, it will now be necessary for the County to upgrade their core Microsoft products. In order to do so, Microsoft has agreed to reinstate the lapsed EA for all of the County's existing Microsoft Office licenses effective as of October 1, 2006 for the payment of one year of back maintenance (\$359,859), to be amortized over the proposed three year contract period.

Exercising this option will result in the total EA cost for new and existing licenses of \$460,386 per year for three years, as opposed to requiring the County to repurchase the existing licenses through a new EA at a rate for new and existing licenses of \$587,412 per year for three years.

These annual costs will be partially offset by the immediate elimination of the \$184,000 in annual maintenance costs associated with Novell licenses for GroupWise. Over time, as the County phases out Novell ZenWorks in lieu of Microsoft SMS, there will be further savings of approximately \$200,000 annually. In addition, Microsoft software licenses covered under this Enterprise Agreement will no longer have to be purchased individually by various County departments and agencies.

A Business Case (attached) provides an overview of the factors underlying the decision to migrate to the Microsoft Exchange environment. This paper presents the anticipated benefits and the estimated costs associated with this project. It also attempts to define the likely areas of risk inherent in a project of this size and complexity.

The State of the Florida Microsoft Enterprise Agreement is one of the most leveraged state vendor agreements in the Country. There are currently more than 90 enrollments covering over 120,000 seats throughout the State of Florida. This enables all units of Florida government to procure Microsoft Software at one of the lowest rates in the United States. California is the only state with a lower rate which is due to the larger volume of seats purchased state-wide.

In the tri-county region, both Broward and Dade Counties have entered into Microsoft Enterprise Agreement for their Microsoft Software Licensing needs. Dade and Broward have a combined total of approximately 20,000 seats under the State of Florida Enterprise Agreement. Within Palm Beach County government, both the Sheriff and the Clerk & Comptroller currently have entered into Enterprise Agreements for their Microsoft software needs.

With the exception of Hillsborough and Orange Counties, most major Counties throughout the State of Florida have Microsoft Enterprise Agreements. Within Hillsborough and Orange Counties, there are significant volumes of Microsoft software licenses purchased by their elected officials, including the Sheriff and Tax Collector, and the Board of County Commissioners of both counties are currently evaluating whether to standardize on Microsoft products.

In addition to the software purchase, ISS is also requesting approval of a Consulting Services Work Order with Microsoft for assistance with the Active Directory consolidation project. This approval is being requested under a separate Board agenda item U-3-5.