



Board Agenda Item 28

DATE: August 11, 2026

TO: Board of Supervisors

SUBMITTED BY: John Zaroni, Sheriff-Coroner-Public Administrator

SUBJECT: Agreement with Microsoft Corporation

RECOMMENDED ACTION(S):

1. **Under Administrative Policy No. 34 for competitive bids or requests for proposals (AP 34) determine that an exception to the competitive bidding requirement under AP 34 is satisfied and a Sole Source-Suspension of Competition is warranted due to unusual or extraordinary circumstances as Microsoft Corporation is the sole provider of unified support services for their proprietary software and products and that the best interests of the County would be served by entering into an Agreement with Microsoft Corporation; and**
2. **Approve and authorize the Chairman to execute a Sole Source Agreement with Microsoft Corporation for unified support services, effective October 2, 2026, not to exceed three years, total not to exceed \$597,000.**

There is no additional Net County Cost associated with the recommended actions. Approval of the recommended actions will allow the County to suspend the competitive bidding process under AP34 and to enter into a sole source Agreement with Microsoft Corporation (Microsoft) for unified support services. This item is countywide.

ALTERNATIVE ACTION(S):

There is no viable alternative action. If the recommended actions are not approved, the Sheriff-Coroner-Public Administrator's Office will not have maintenance and technical support for Microsoft products as its products contain proprietary software, such that there is no other entity able to provide support.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

It is requested that the County find under AP 34 that an exception to the competitive bidding requirement is satisfied, and a Sole Source-Suspension of Competition is warranted due to unusual or extraordinary circumstances, as Microsoft is the sole provider of unified support services for their proprietary software and products. Based on this, a letter of interest was not necessary. The General Services Department - Purchasing Division - concurs that this satisfies the exception to the competitive bidding process under AP 34.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The maximum compensation for the three-year recommended Agreement is \$597,000. Sufficient appropriations and

estimated revenues have been included in the Sheriff's Org 3111 FY 2026-27 Recommended Budget and will be included in future budget requests for the remaining term of the agreement.

DISCUSSION:

The County has successfully contracted with Microsoft for services for software product support for over 15 years. The service has been used for the design and implementation of multiple software installations, supporting several departmental applications, data and infrastructure requirements. On September 27, 2016, the Board approved a three-year Service Agreement No. A-16-580 with Microsoft for Microsoft products for several of its server, workstation, and database software components, including workstation office products and email services that expired October 1, 2019. Microsoft there-after no longer offered multi-year agreement structure for services used by the Sheriff's office.

On October 22, 2019, the Board approved a one-year Service Agreement No. A-19-540 with Microsoft that expired October 1, 2020.

The Sheriff's Office executed annual Purchase Orders with Microsoft due to the evolving information technology projects and because the need for specific longer-term support was not identifiable during that time. Since then, Microsoft has migrated to their new support model that moved all the support channels for the Sheriff's Office into a more consolidated approach that works effectively and efficiently within the needs and requirements for the Sheriff's Office. With those changes Microsoft has offered the Sheriff's Office a multi-year agreement, with no longer than a 3 year term. As the cost of these services have now surpassed the Purchasing Manager's \$200,000 authority, the Sheriff's Office is bringing a sole source agreement for maintenance and support before your Board for approval. Other vendors either resell Microsoft support at higher cost or rely on staff without direct access to Microsoft engineers. Microsoft's own support can escalate issues directly to engineering and is the only provider of the DART Cybersecurity Incident Response team, which has full access to backend resources for security incident response.

The recommended agreement contains a nonstandard Public Statement section, which requires prior written consent before the County makes public statements about cybersecurity events or other information under the agreement. Microsoft also requires that the County pay Microsoft within 30 days of receiving an invoice, which deviates from the 45-day standard County payment terms and excludes language regarding audits and inspections. The Sheriff's Office believes that the risk and terms within the Agreement are acceptable business risks, in light of the services offered by Microsoft.

REFERENCE MATERIAL:

BAI #29, October 22, 2019
BAI #26, September 27, 2016

ATTACHMENTS INCLUDED AND/OR ON FILE:

Sole Source Acquisition Request
On file with Clerk - Agreement with Microsoft

CAO ANALYST:

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