

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Strategic Business Technology *MC*

BOARD AGENDA # *B-6

Urgent Routine

AGENDA DATE August 21, 2012

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval of an Agreement with Adobe Systems Incorporated as an Affiliate to the Riverside County Master Agreement for the Purchase of Software Licenses, Upgrade Licenses, and Optional Maintenance Services

STAFF RECOMMENDATIONS:

1. Approve an agreement with Adobe Systems Incorporated as an affiliate to the Riverside County Master Agreement for the purchase of software licenses, upgrade licenses, and optional maintenance services.
2. Authorize the County Purchasing Agent to execute the agreement.

FISCAL IMPACT:

With approval of this agreement, County departments choosing to purchase or upgrade Adobe products can save up to 30% per license. County-wide there are a total of 110 Adobe Acrobat licenses; the discounted rate allows the County to save approximately \$5,519, if we were to upgrade all 110 licenses.

BOARD ACTION AS FOLLOWS:

No. 2012-424

On motion of Supervisor Withdraw, Seconded by Supervisor Chiesa

and approved by the following vote,

Ayes: Supervisors: Chiesa, Withdraw, Monteith, De Martini, and Chairman O'Brien

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval of an Agreement with Adobe Systems Incorporated as an Affiliate to the Riverside County Master Agreement for the Purchase of Software Licenses, Upgrade Licenses, and Optional Maintenance Services

Page 2

DISCUSSION:

In June 2012, Riverside County renewed its master agreement with Adobe Systems Incorporated (Appendix A). This Cumulative Licensing Program (CLP) Government Membership Agreement provides for additional cost savings for the purchase of Adobe products over the Transactional Licensing Program (TLP) that is currently available to the County without an agreement.

All cities and counties in the State of California may piggyback on the Riverside County's CLP Agreement as an affiliate. As the primary member, Riverside County has already established the discount pricing level (Level 2) based on their initial order and additional purchases since the execution of the master agreement. New affiliates are not bound by any required minimum purchase nor is there a requirement to purchase software maintenance agreements. Although software maintenance agreements are available under this agreement, they are optional for the term of the agreement, which expires on June 27, 2014.

As a self-enrolled affiliate, the County would have its own separate Agreement Number, which will be unique and linked to the Riverside County Agreement Number. The deeper pricing discounts that would be available as an affiliate are reflected below for four of the most widely used Adobe products:

PRODUCT DESCRIPTION	No Affiliation Using TLP	As an Affiliate under CLP	Cost Savings Per License	Percent Savings
Adobe Acrobat X Standard License	\$185.34	\$130.62	\$54.72	29.52%
Adobe Acrobat X Professional License	\$279.05	\$194.90	\$84.15	30.16%
Adobe Acrobat X Standard Upgrade License	\$86.42	\$61.23	\$25.19	29.15%
Adobe Acrobat X Professional Upgrade License	\$123.91	\$87.63	\$36.28	29.28%

In order to provide the County with up to 30% discount on Adobe products, it is recommended that the Board of Supervisors approve the agreement with Adobe Systems Incorporated as an affiliate to the Riverside County Master Agreement and authorize the County Purchasing Agent to execute the agreement by self-enrolling the County as an affiliate.

Approval of an Agreement with Adobe Systems Incorporated as an Affiliate to the Riverside County Master Agreement for the Purchase of Software Licenses, Upgrade Licenses, and Optional Maintenance Services

Page 3

POLICY ISSUES:

Approval of the Adobe Systems Incorporated agreement affiliation is consistent with the Board's priorities of Effective partnerships and the Efficient delivery of public services by partnering with another County and providing cost savings County-wide.

STAFFING IMPACT:

Existing staff from the General Services Agency and Strategic Business Technology will administer the master agreement. There are no additional staffing requirements associated with this item.

CONTACT INFORMATION:

Marcia Cunningham, Director of Strategic Business Technology
Telephone (209) 525-4357

Cumulative Licensing Program Government Membership

This Cumulative Licensing Program Government Membership Agreement ("Agreement") is effective as of either the date last signed below or, if Member enrolls online, the date accepted by Adobe (the "Effective Date") and entered into between ADOBE SYSTEMS INCORPORATED, a Delaware corporation having a place of business at 345 Park Avenue, San Jose, CA 95110-2704 ("Adobe Systems") if the Agreement is entered into while Member is in the United States, Canada or Mexico, and, otherwise, ADOBE SYSTEMS SOFTWARE IRELAND LIMITED a company incorporated in Ireland and having a place of business at 4-6 Riverwalk, Citywest Business Campus, Dublin 24, Ireland ("Adobe Ireland") (both individually in their territories and collectively referred to as "Adobe"), and the entity identified in Exhibit A under "Program Applicant Information" ("Member"). Such entity, whether a Member or Self-enrolled Affiliate shall be referred to as a "Member" for the purposes of this Agreement.

1. Program description

1.1 General. The Cumulative Licensing Program ("CLP") is a flexible volume licensing program offered through Adobe Volume Licensing. The CLP applies the same discount level to all of Member's and its Affiliates' qualified Adobe software purchases ("Software") during the Term based on the value of the initial order. Member has no order commitment except the initial order. Member may improve its discount level as it and its Affiliates order additional Software during the Term. CLP membership begins on the Effective Date and continues through the two (2) year anniversary of the day immediately prior to the Effective Date, provided Member complies with all obligations under this Agreement (the "Term"). Notwithstanding the foregoing, either party may terminate the Agreement with or without cause on sixty (60) days prior written notice. For additional information on the CLP, refer to the current version of the CLP Program Guide (the "Program Guide"), posted in the Adobe Volume Licensing section of the Adobe website. Membership in the Government CLP is regional. Orders cannot be placed outside of the region in which the CLP membership is established.

1.2 Software. For a complete list of Software available through the Government CLP, along with the point values for purchases, Member shall contact its Adobe License Center ("ALC") or reseller (the ALC or reseller collectively and individually, the "Reseller" herein) or use the Adobe Discount Level Calculator available on the Adobe website. All Software point values are consistent worldwide. All use of the Software licensed under the CLP is subject to the applicable Adobe End User License Agreement ("EULA"). As such, all Software purchased under the Agreement are solely for use within Member's own organization and all resale, sublicensing and other distribution is subject to the restrictions set forth in the applicable EULA.

1.3 Member may improve its discount level as it and its Affiliates (defined below) continue to order Software through the CLP. Member's discount level shall be applied to its Affiliates' orders and the points accumulated with each Member or Affiliate order shall be added to Member's cumulative point total. On the 14th day of each month, Adobe will review the points accumulated by Member and its Affiliates from the Effective Date to that day. If the total points equal or exceed the minimum requirement for the next discount level, then upon the 15th day of that same month, Member and its Affiliates will become eligible for the improved discount level. Resellers operate as independent distributors and are not agents or affiliates of Adobe. As a result, Member and its Affiliates are responsible for informing any Reseller of its CLP membership and applicable discount.

2. Participation

2.1 Government Entity. Participation is contingent upon Member (and each Affiliate) being a "government entity", which means: either (a) a federal, central or national agency, department, commission, board, office, council, or authority (executive, legislative, or judicial); or (b) a municipality, special district, city, county, or state governmental agency, department, commission, board, office, council, or authority, or any other agency in the executive, legislative, or judicial branch of state or local government that is created by the constitution or a statute of the governing state, including the district, regional, and state administrative offices or (c) a public agency, or organization created and/or funded by federal, state, or local governments and authorized to conduct the business of governing or supporting citizens, businesses, or other governmental entities. For the avoidance of doubt, private "for profit" companies, non-profit organizations, trade or industry associations, and labor unions are not included. Also excluded are private organizations that conduct work on behalf of or with government agencies. Member represents to Adobe that it and its Affiliates are government entities.

Affiliates. "Affiliate" means any government entity that is subject to the same organizational, political, and regulatory schemes as the government entity that is the Member. For example, where a state government is the Member, counties, boroughs, and/or municipalities are affiliates.

"Affiliates" include Member-listed Affiliates and Self-enrolled Affiliates. An Affiliate that participates in the CLP by ordering through a Member (a "Member-listed Affiliate") may do so provided (i) Member must be aware of these Affiliates and list them under this Agreement and (ii) Member is responsible for Member-listed Affiliates' compliance with the CLP terms and conditions. Member-listed Affiliates do not need to separately enroll, and may purchase under the Member's CLP membership with the same discount level as its Member. Affiliates may also participate by becoming a "Self-enrolled Affiliate". Self-enrolled Affiliate means any eligible Affiliate that enrolls in the CLP separately provided that (i) each such Self-enrolled Affiliate references Member's CLP membership agreement number ("Agreement Number") on its enrollment form and (ii) complies with this Agreement. Self-enrolled Affiliates will receive their own serial numbers, may designate their own Reseller, and choose their own Upgrade Plan payment option. All Affiliate ordering and contact information will be visible and available to Member. Members may refuse to allow an Affiliate to benefit from this Agreement and/or may terminate an Affiliate's participation at any time during the Term. Member hereby confirms on behalf of the Affiliates that Affiliates expressly grant Member the right and authority to renew its participation in the CLP at the time Member renews its membership in the CLP.

2.2 Agreement and Serial Numbers. Member will be assigned an Agreement Number, which number must be referenced on any orders. Each Self-enrolled Affiliate, if any, will receive a separate Agreement Number which will be linked to the Member Agreement Number. Each serial number references a single Software product defined by version, language, and platform, except for products available in both Macintosh® and Windows® versions for which Member will receive serial numbers for both platforms, even when only one platform is licensed. Member may use the same serial number for all validly licensed installations of given Software; new serial numbers are issued for upgrades.

2.3 Confidentiality. The Agreement and serial numbers are confidential, except as stated in Section 2.2 and Section 3. Member shall treat membership and serial numbers as confidential and not share or disclose such numbers. Member is responsible for Affiliates compliance with these confidentiality terms. Self-enrolled Affiliates are also responsible for protecting their agreement and serial numbers.

2.4 Licensing Website. Adobe shall provide Member and Self-enrolled Affiliates with access to the Adobe Licensing Web Site ("LWS") (<http://licensing.adobe.com>) allowing Members access to pertinent information about their membership including expiration dates, comprehensive order details, LWS account information and Software serial numbers. The designated Program Administrator for

new Members and Self-enrolled Affiliates will receive a communication containing instructions on setting up their LWS account login and password providing them access to LWS for management of their CLP membership.

3. Ordering and Fulfillment

3.1 Ordering and Pricing. Member and/or Affiliate shall order licenses for Software within thirty (30) days of the date that such Software is installed and/or deployed. All fees are determined by the Reseller. Adobe does not set the pricing that Member or its Affiliates are charged and Adobe cannot guarantee any particular discount. Member is free to negotiate fees directly with its Reseller. Matters such as price, delivery and payment terms must be agreed between Member and Resellers.

3.2 Minimums. Member's initial order must meet or exceed the minimum point value for the discount level selected on the enrollment form. If Member does not order sufficient Software within forty-five (45) days of enrollment, Adobe may terminate or suspend that Member. To reorder, Member or Affiliates must place an order of at least one point. Member and its Affiliates shall ensure that all purchases include Member's or Self-enrolled Affiliate's Agreement Number and any additional information in order for the Reseller to accept such order.

3.3 Electronic Software Distribution (ESD) and Media. Adobe offers ESD for selected Software to Members and Affiliates for no additional fee. Member and Affiliates may download via LWS Software for which they are currently licensed. Each license includes the right to print one hard copy version of any electronic user documentation. Member and its Affiliates are not permitted to have more media than licenses. Media and printed documentation orders do not count toward point accumulation. Unless Member or Affiliate signs and returns to Adobe a separate media duplication agreement, neither Member nor Affiliates is entitled to make additional copies of the Software media or user documentation. Member and its Affiliates may order hard media from the Reseller.

3.4 Returns. Member or Affiliate must request return of purchases made under the Agreement through the same Reseller that placed the original order with Adobe. Requests must be made within 30 days of the original Software order date, and Adobe must approve all return requests before any return is valid. If the return is approved, Member's point totals will be adjusted in the next accumulated point review process. Member or Affiliate must submit a signed Letter of Destruction with each return.

4. Upgrade Plan

4.1.1 General. Member or Affiliate may pay to receive future versions of Software ("Upgrades") by purchasing an upgrade plan ("Upgrade Plan") during the Term. Member may purchase an Upgrade Plan for licenses acquired prior to the Effective Date of the Agreement only during the first three months of the Term. Member may purchase an Upgrade Plan for Software purchased under this Agreement at any time during the Term, provided that the Upgrade Plan is purchased at the same time that the licenses are acquired. Upgrade Plan purchases shall be prorated in three (3) month or less increments (depending on the anniversary or expiration date of the Agreement and the payment option selected upon enrollment) to and until the end of the Term as further described in the Program Guide. Upgrade Plan coverage shall be coterminous with the term of the Agreement. The Program Guide, which is incorporated by reference herein, contains specific prorated coverage periods for Upgrade Plans SKUs purchased during the Term:

SKU Description (New Upgrade Plan coverage range): 1-3 Months, 4-6 Months, 7-9 Months, 10-12 Months, 13-15 Months, 16-18 Months, 19-21 Months and 22-24 Months. Each SKU description describes a range of dates in which that particular SKU may be used. For example: For the 1-3

months SKU, purchases made within 1 to 3 months of either the Anniversary date, or the end date of the CLP agreement and depending on the payment option selected during enrollment.

The above SKU descriptions reflect that the applicable Upgrade Plan subscription shall co-terminate with the anniversary or expiration date (depending on the payment option selected during enrollment) of the Agreement. The actual SKU range (i.e. the actual start and end dates of any Upgrade Plan) is expressly dependent on when the Upgrade Plan is purchased during the Member's CLP Agreement, the payment option selected, and when such Agreement ends. For the purpose of clarity, and as an example, if a customer selects the annual payment option during enrollment and if a license purchase is made during the 4th month of the Term, leaving 8 months until the anniversary date, and the Member wishes to also purchase Upgrade Plan, the SKU with a 7 – 9 month coverage range should be purchased. As specified in 4.1.2 below, Member expressly agrees and acknowledges that Member shall not receive a refund or credit for any unused portion of an Upgrade Plan coverage range. Additional information on Upgrade Plan may be found on the Adobe Volume Licensing Policies page: <http://www.adobe.com/aboutadobe/volumelicensing/policies/>.

4.2 Renewal. Adobe will use reasonable efforts to notify Member ninety (90) days prior to expiration of the CLP Membership Term and Upgrade Plan coverage. If Member elects to make Upgrade Plan payments in two annual installments, Adobe will notify Member sixty (60) days prior the date the second annual installment payment is due. Member must renew Upgrade Plan prior to the Upgrade Plan anniversary date in order to ensure uninterrupted coverage. Renewal orders may be placed before the anniversary date but early renewal does not change the initial anniversary date.

4.1.2 Limitations/No Refunds or Credits. Points are received for the value of Upgrade Plan purchases. The Upgrade Plan can be purchased for all, some, or none of any purchased Software, but the number of Upgrade Plans may not exceed the number of licenses purchased for Software. Member agrees that any and all Upgrades are for replacement of the copies of Software previously licensed to Member, and shall only be provided for such licenses for which Member purchased the Upgrade Plan. Member's Upgrade Plan terminates upon expiration or termination of this Agreement. As such Member understands that Upgrade Plan costs are non-refundable and that no credits reflecting such costs will be provided to Member, when Agreement is terminated for any reason, including but not limited to the following events: (i) if Adobe discontinues the covered Software before Customer's Upgrade Plan is due to expire; (ii) if this Agreement is terminated before the two year anniversary date and before the date that Customer's Upgrade Plan is due to expire; (iii) if any other event causes termination of this Agreement or this Agreement expires for any reason before the Upgrade Plan term is set to expire, even if Member decides to renew such Agreement (in which case, Member acknowledges that it must order a new Upgrade Plan and that any portion of fees paid for the unused Upgrade Plan prior to such renewal shall not be credited or refunded against the new Upgrade Plan costs); or (iv) if any other event causes termination of Upgrade Plan coverage before the Upgrade Plan coverage is otherwise due to expire (i.e. based on the Upgrade Plan period as provided in the SKU description for the Upgrade Plan ordered). Member expressly understands and acknowledges that Member shall not receive any reimbursement or credit of any portion of Upgrade Plan fees paid by Member in the event that such Upgrade Plan subscription terminates before the Upgrade Plan coverage is otherwise due to expire due to a terminating event.

5. Miscellaneous

5.1 Transfer of License. Adobe's Software EULAs may permit the transfer of Software licenses to another person or legal entity. However, Member may transfer licenses purchased pursuant to this Agreement only (i) when it becomes necessary due to mergers, acquisitions, consolidations, or divestitures and, in such case, only to the acquiring or divested entity or (ii) to any other existing CLP Member or TLP Software licensee so long as both the previous and new licensees complete and sign

the Transfer of License form, the new licensee agrees to the terms of the EULA, and all CLP points attributable to the Software transfers to the new licensee's CLP, if applicable. Any active Upgrade Plan for a license must be transferred along with the license. Adobe reserves the right to review and reject any such transfer it deems improper in its sole discretion.

5.2 License Compliance. Member and its Affiliates must maintain systems and/or procedures sufficient to ensure an accurate record of the number of copies of the Software that have been installed and retain records of Software installation and/or deployment for 2 years after the termination or expiration of the Agreement. To ensure that Member's and/or Affiliates' installation and deployment is consistent with the license entitlements, Adobe or its representatives may conduct an audit of Member's and/or Affiliates' Software installation/deployment not more than once per year on 30 days written notice. Such audit will require Member or Affiliates to provide an unedited accurate report of all Software installed by Member and/or Affiliates and all valid purchase documentation for all Software within 30 days of request and, if the audit findings demonstrate non-conformity with the Software licenses, Member or Affiliate shall purchase the necessary licenses within 30 days of being so notified. Adobe reserves the right to conduct an onsite audit of Member or Affiliates' license deployment on ten (10) business days prior written notice during regular business hours. This section 5.2 shall survive termination or expiration of the Agreement for a period of two (2) years.

5.3 Use of Information. Adobe may use information about Member or Affiliates for purposes of administering the CLP and for fulfilling its obligations under the Agreement. Such information may be used among Adobe entities worldwide and among ALCs and resellers worldwide. This use includes, but is not limited to, the following: (a) sharing necessary program information of any Member (or Self-enrolled Affiliate) with its Reseller, including member number (End User ID), (b) sharing information about a Member with its Affiliates, or vice-versa, (c) use of the name and contact details including, phone email address and other contact details of a Member or Affiliate designated licensing contact to send program related communications to such licensing contacts including, but not limited to, notices of upgrades, program changes, and notice of discontinuance of SKUs, and (d) allowing Members to view all program and order information for all of its Affiliates. Affiliate members will only have access to information for orders placed by that Affiliate.

5.4 Governing Law and Venue. If Member is a resident of the United States, Canada or Mexico, this Agreement shall be governed by and interpreted in all respects by the statutes and laws of the United States of America and the State of California, without reference to conflict of laws' principles, as such laws are applied to agreements entered into and to be performed entirely within California between California residents. If Member is a resident of Japan, this Agreement shall be governed by and interpreted in all respects by the laws of Japan, without reference to conflict of laws' principles, as such laws are applied to agreements entered into and to be performed entirely within Japan between Japanese residents. If Member is a resident of the People's Republic of China or Singapore, this Agreement shall be governed by and interpreted in all respects by the laws of Singapore, without reference to conflict of laws' principles, as such laws are applied to agreements entered into and to be performed entirely within Singapore between Singapore residents. If Member is a resident of Germany, this Agreement shall be governed by and interpreted in all respects by the laws of Germany, without reference to conflict of laws' principles, as such laws are applied to agreements entered into and to be performed entirely within Germany between German residents. If Member is a resident of France, this Agreement shall be governed by and interpreted in all respects by the laws of France, without reference to conflict of laws' principles, as such laws are applied to agreements entered into and to be performed entirely within France between French residents. If Member is a resident of any other country, this Agreement shall be governed by and interpreted in all respects by the laws of the Republic of Ireland without reference to conflict of laws' principles, as such laws are applied to agreements entered into and to be performed entirely within the Republic of Ireland between residents of the Republic of Ireland.

If Member is a resident of the United States, Canada or Mexico, all disputes arising under this Agreement will be brought in Superior Court of the State of California or the Federal District Court of San Jose in Santa Clara County, as permitted by law. If Member is a resident of Japan, all disputes arising under this Agreement will be brought in Tokyo District Court in Japan. If Member is a resident of Germany, all disputes arising under this Agreement will be brought in the courts of Frankfurt in Germany. If Member is a resident of France, all disputes arising under this Agreement will be brought in the Tribunal of Paris in France. If Member is a resident of any other country, all disputes arising under this Agreement will be brought in the Courts of Ireland in Dublin, Ireland.

5.5 General. No modification will be valid or binding unless in writing and signed by the parties. The parties are independent contractors, and this Agreement will not be construed to imply that either party is the agent, or venturer of the other. If any provision is held unenforceable, this Agreement will continue in full force and effect without said provision and will be interpreted to reflect the parties' original intent. The parties agree that the United Nations Convention on Contracts for the International Sale of Goods is specifically excluded from application to this Agreement. Member may not assign this Agreement (by operation of law or otherwise) without the prior written consent of Adobe, and any prohibited assignment will be null and void. This Agreement will be binding upon and will inure to the benefit of any permitted successors or assignees. This Agreement represents the entire agreement between the parties on the subject matter of this Agreement.