

PALMDALE WATER DISTRICT

2029 East Avenue Q • Palmdale, California 93550 • Telephone (661) 947-4111

Fax (661) 947-8604

www.palmdalewater.org

Board of Directors

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GORDON G. DEXTER
Division 2

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Division 3

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Division 4

STEVE R. CORDOVA
Division 5

LAGERLOF, SENECA, GOSNEY & KRUSE LLP
Attorneys



November 14, 2013

*Agenda for a Meeting
of the Facilities Committee of the Palmdale Water District
Committee Members: Robert Alvarado-Chair, Gordon Dexter
to be held at the District's office at 2029 East Avenue Q, Palmdale*

Monday, November 18, 2013

5:15 p.m.

NOTE: To comply with the Americans with Disabilities Act, to participate in any Board meeting please contact Dawn Deans at 661-947-4111 x1003 at least 48 hours prior to a Board meeting to inform us of your needs and to determine if accommodation is feasible.

Agenda item materials, as well as materials related to agenda items submitted after distribution of the agenda packets, are available for public review at the District's office located at 2029 East Avenue Q, Palmdale. Please call Dawn Deans at 661-947-4111 x1003 for public review of materials.

PUBLIC COMMENT GUIDELINES: The prescribed time limit per speaker is three-minutes. Please refrain from public displays or outbursts such as unsolicited applause, comments, or cheering. Any disruptive activities that substantially interfere with the ability of the District to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.

Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance to take action on any item.

- 1) Roll Call.
- 2) Adoption of Agenda.
- 3) Public Comments.
- 4) Action Items: (The public shall have an opportunity to comment on any action item as each item is considered by the Committee prior to action being taken.)

- 4.1) Consideration and possible action on approval of minutes of regular meeting held October 14, 2013.
- 4.2) Consideration and possible action on approving a purchase agreement with Liftoff and Microsoft for providing cloud based Exchange, Sharepoint, Lync, and Office 365. (\$26,000.00 – Budgeted – Information Technology Manager Stanton)
- 4.3) Review of proposed projects, equipment, etc. for 2014 Budget. (Finance Manager Williams)
- 5) Information Items.
 - 5.1) Update on Facilities Committee goals and District projects. (Chair Alvarado)
 - 5.2) Update on pending water quality regulations. (Operations Manager Thompson II)
 - 5.3) Other.
- 6) Board members' requests for future agenda items.
- 7) Adjournment.



DENNIS D. LaMOREAUX,
General Manager

DDL/dd

P A L M D A L E W A T E R D I S T R I C T
B O A R D M E M O R A N D U M

DATE: November 12, 2013 **November 18, 2013**
TO: FACILITIES COMMITTEE **Facilities Committee Meeting**
FROM: Mr. Jim Stanton, Information Technology Manager
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 4.2 – CONSIDERATION AND POSSIBLE ACTION
ON APPROVING A PURCHASE AGREEMENT WITH LIFTOFF AND
MICROSOFT FOR PROVIDING CLOUD BASED EXCHANGE,
SHAREPOINT, LYNC, AND OFFICE 365.***

Recommendation:

Staff recommends that the Facilities Committee:

1. Approve a Purchase Agreement with Microsoft for providing cloud based Exchange, Sharepoint, Lync, and Office 365 in a not-to-exceed amount of \$21,000.00; and
2. Authorize the General Manager to execute the Purchase Agreement with Microsoft for same.
3. Approve a Master Services Agreement/Statement of Work with LiftOff for providing migration and integration services of our existing on site Exchange and Active Directory environment to Microsoft Exchange online. LiftOff will also provide migration and integration services of our existing Office Outlook with the hosted cloud environment. Master Services Agreement/Statement of Work shall be in a not-to-exceed amount of \$5,000.00; and
4. Authorize the General Manager to execute the Master Services Agreement/Statement of Work with LiftOff for same.

Background:

In 2011 and 2012, IT staff evaluated current email systems, and based on those evaluations, recommended upgrading the District's on premise system to Exchange 2013. The upgrade was included in the 2013 IT budget and approved by the Board.

PALMDALE WATER DISTRICT
BOARD OF DIRECTORS

VIA: Mr. Dennis D. LaMoreaux, General Manager

November 12, 2013

IT Staff continued their due diligence in evaluating current products, and recent advancements in cloud security, implementation, integration and data ownership have made Office 365 a viable replacement for on premise email systems.

The District 2013 budget, PRO32 – Email Software Upgrade, has \$30,000 allocated for the purchase of Exchange 2013 and an additional \$15,000 allocated for the purchase of server hardware to host it. By moving to Office 365, the District will see a 2013 *savings* of approximately **\$24,000.00**.

Advantages the District will see by moving to Office 365 are lower and predictable costs, faster deployments of new technology without having to invest capital to acquire it, reduced management, increased productivity, and multi-layered security.

Key components of Office 365 include Exchange, SharePoint, Lync, and Office online. Exchange is for email, SharePoint is document management and sharing, Lync is message collaboration like Instant Message and Videoconferencing, and Office online is access to the entire Office suite via a web application.

The District will also immediately have access to Office 2013 Pro, at no additional cost to the District. This, alone, results in a *savings* to the District of approximately **\$55,000.00**.

In addition, District users will be able to install Office 2013 on up to five devices. These devices can be home PC's, laptops, or mobile devices. District users will also have access to Office on iOS devices like iPads and iPhones. Currently Office is not available via the iTunes store; the only way to get MS Office on Apple products is via Office 365.

Strategic Plan Element:

This work is part of Strategic Goal 3.5 – Improve the security of PWD facilities.

Budget:

This project is budgeted for 2013, and if awarded, it is anticipated that approximately \$26,000.00 would be expensed in 2013 and approximately \$21,000.00 would be budgeted annually thereafter.

Supporting Documents:

- PowerPoint presentation
- Proposal from LiftOff and Microsoft
- Microsoft Top 10 Questions to ask; Top 10 Security and Privacy Features; Top 10 Compliance Standards
- Microsoft Trust Center: Security, Privacy and Compliance Information for Office365

Palmdale, CA

Microsoft and LiftOff, LLC

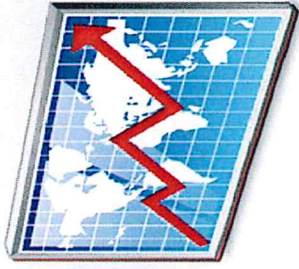


Introductions

- Ron Braatz, LiftOff President
- rbraatz@liftoffonline.com
- 410-419-1591

Why governments are moving to the cloud

NEW ECONOMICS



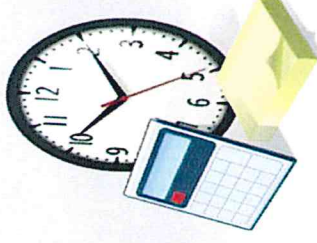
- Pay for what you use
- Lower and predictable costs
- Accelerate speed to value

REDUCED MANAGEMENT



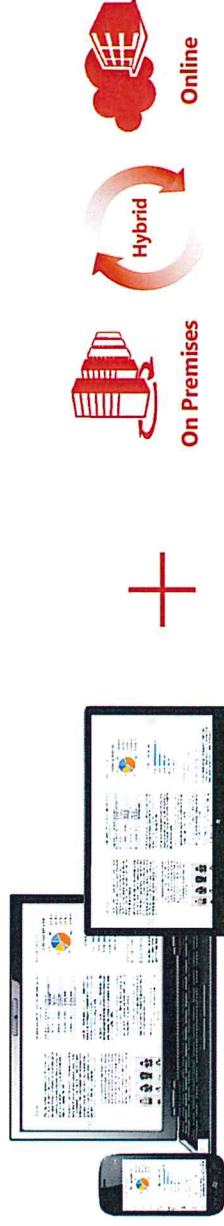
- No patching, maintenance
- Faster deployment
- Robust multi-layered security
- Reliability and fault-tolerance

INCREASED PRODUCTIVITY



- Latest software for users
- Internet collaboration
- Anywhere access
- Instant self-provisioning

Microsoft's unique offering in the cloud



Best experience across
devices

Cloud on your terms

Messaging

Voice
& Video

Content
Management

Enterprise
Social

Data
& Analytics

Integrated best-of-breed
solutions

Office 365 | What is it?

Latest productivity services running in Microsoft's cloud



Office 365 Includes....

Office Professional Plus

- Flexible service offering with pay-as-you-go, per-user licensing
- The complete Office experience with services integration in Office 365
- Always the latest version of the Office apps, including Office Web Apps
- **Now including versions for iPhone and Android phones**

Exchange Online

- 50 GB Mailbox
- Outlook and Outlook Web App
- Premium antivirus/antispam (Forefront)
- Shared calendars, contacts, and tasks
- Mobile email for most mobile devices including BlackBerry, iPhone, Nokia, Windows Phone
- Email archiving and compliance capabilities

LyncOnline

- Presence and instant messaging
- Online meetings with audio, video, and web conferencing
- Multi-party HD video
- Exchange calendar integration
- Click to communicate from Outlook, SharePoint, and other Office applications

SharePoint Online

- Share important documents, insights, and status with colleagues
- Keep teams in sync and manage important projects
- Find important documents and people easily
- Stay up to date with company information and news
- Pooled storage: 10 GB per tenant + 500 MB per user
- 25GB per //my

CONTROL AND EFFICIENCY

Single user interface to purchase, administer, and use with Role Based Access Control | Single sign-on with on-premises Active Directory
99.9% financially backed SLA | 24x7 IT pro support | Built in geo-redundancy in regional data centers



Services for what your users actually need

Kiosk Worker



Low-cost offering to users who do not have messaging and collaboration capabilities today

User Segment Offers: Plan K Family

- 2 GB mailbox
- Outlook Web App only
- POP support
- Messaging, calendar, contacts
- Forefront antivirus and antispyware
- SharePoint Access (0 MB storage)
- Site search capabilities
- Office Web Apps
- Mobility options available
- Archiving available

Key Differentiators

Information Worker



Rich feature offering that meets users' full messaging and collaboration needs

User Segment Offers: Plan E Family

- 50 GB – unlimited mailbox
- 500 MB SharePoint storage / 25GB SkyDrive Pro storage
- Mobility
- Lync capabilities
- Office & Office Web Apps
- Exchange and SharePoint capabilities
- Office Professional Plus
- On-premise access rights

....But is the Microsoft Cloud safe?

Privacy

What does privacy at Microsoft mean?
Are you using my data to build advertising products?

Transparency

Where is my data?
Who has access to my data ?

Compliance

What certifications and capabilities does Microsoft hold?
How does Microsoft support customer compliance needs?
Do I have the right to audit Microsoft?

Security

Is cloud computing secure?
Are Microsoft Online Services secure?

<http://trust.office365.com>

Who is LiftOff?

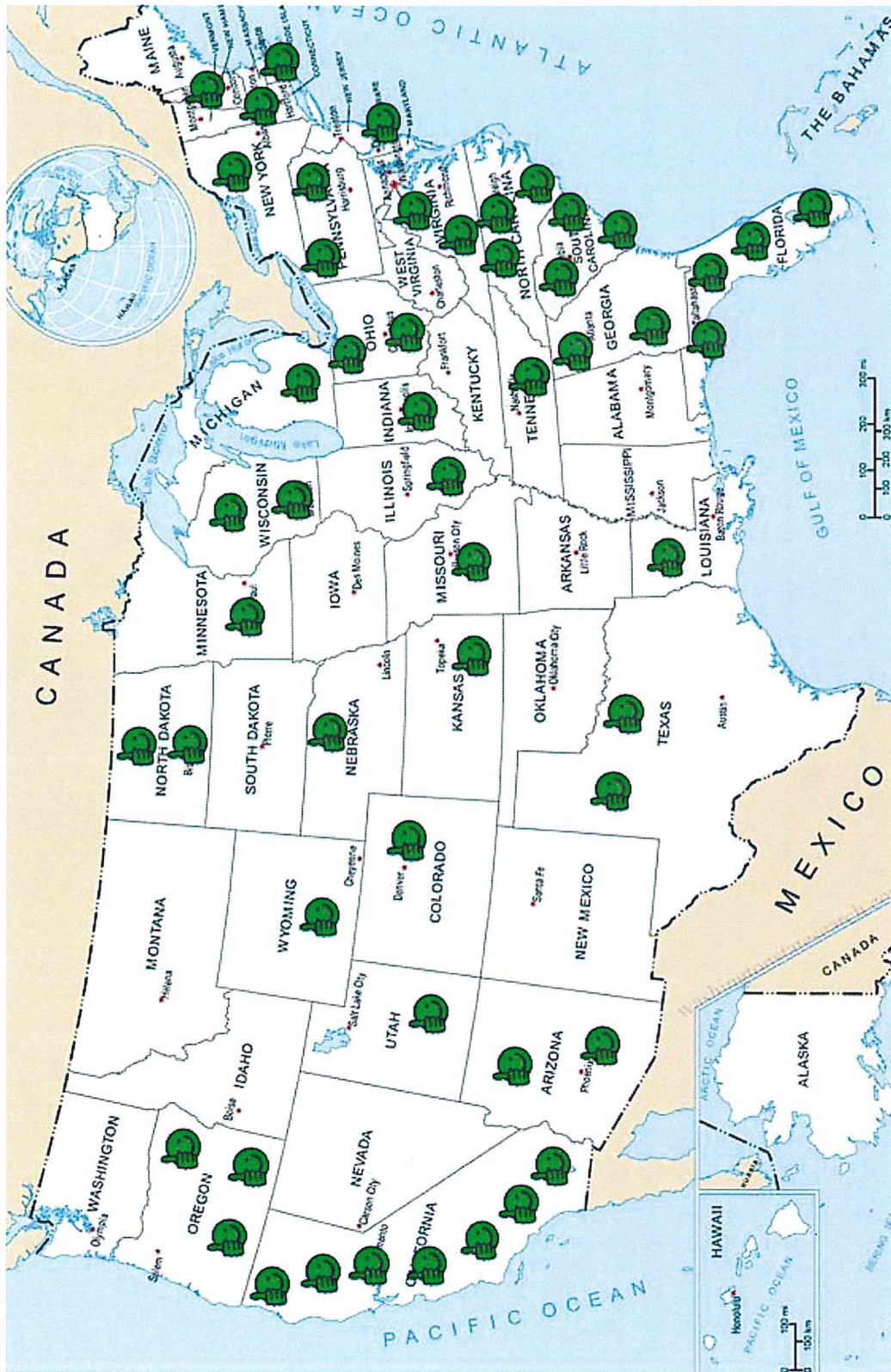
We are a small business that focuses 100% on Office 365.

We were “**Born in the Cloud**” and we manage projects virtually all over the U.S. and world.

Ron Braatz

- Founder and President of LiftOff, LLC
- Experience at leading technology companies including Microsoft, Siebel (Oracle), and IBM
- Masters Degree in Technology Education from Johns Hopkins University
- Taught technology courses at the high school and college graduate level
- Active volunteer in his community; coaches several youth sports teams
- rbraatz@liftoffonline.com
- 410.419.1591





West Region

1. Coconino County, AZ
2. Arizona Commission on the Arts
3. City of Aspen, CO
4. City of Casper, WY
5. Summit County, UT
6. City of San Clemente, CA
7. California LT Governor
8. Desert Recreation District
9. Mesa Consolidated Water District
10. City of Menifee, CA
11. Housing Authority of Santa Clara County
12. Friant Water Authority
13. City of Happy Valley, OR
14. City of Bend, OR
15. City of Gresham, OR



LiftOff Government Client Samples

	Legacy System	State/Local Government	User Count	Office 365 SKU
Coconino, AZ	Exchange 2007	•	1,335	E3 + others
Summit, UT	MDaemon	•	400	Email
Sun Prairie, WI	Groupwise	•	200	Email
Aspen, CO	Exchange 2003	•	350	Email
Sussex, DE	Exchange 2007	•	500	Email
Williamsburg, VA	Exchange 2007		1,460	E3
McAllen, TX	Exchange 2003	•	1,500	E1
Bend, OR	Lotus	•	491	Email
Cass, ND	Exchange 2010	•	450	E3

MASTER SERVICES AGREEMENT

This Master Services Agreement ("Agreement") is made effective as of September 18, 2013 by and between LiftOff, LLC of 1667 Patrice Circle, Crofton, MD 21114 and Palmdale Water District ("Client") of 2029 East Avenue Q, Palmdale, CA 93550. Therefore, the parties agree as follows:

1. Background, Intent, and Relationship

The purpose of this Agreement is to establish the terms and conditions governing the contractual relationship between the parties. Nothing in this Agreement shall be interpreted or construed as (1) creating or establishing a partnership, joint venture or similar business relationship between the parties; (2) creating or establishing an exclusive relationship between the parties, or (3) creating or establishing any employment relationship between the parties, which hereby acknowledge that LIFTOFF is an independent contractor under this Agreement.

2. Statements of Work

All services performed under this Agreement will be specified in a Statement of Work ("SOW") to be prepared for each engagement and signed by the parties. The initial SOW is incorporated in this Agreement as Exhibit A, attached hereto. To the extent that any term contained in the SOW may be contradictory to any term contained in this Agreement, the parties agree that the SOW shall govern.

It is agreed that the terms and conditions of this Master Agreement shall govern with respect to the services to be provided to Client by LIFTOFF, in accordance with each SOW executed by the parties. Each SOW shall become an Addendum to this Master Agreement. The terms of this Master Agreement will be incorporated into each SOW by reference.

3. Professional Services Agreement

This Agreement is for the performance of professional services only. LIFTOFF reserves the right to incorporate any techniques, skills, and/or procedures known or acquired from this or any other project into this or any future professional services engagements. Any such techniques, skills, or procedures remain the sole intellectual property of LIFTOFF, and may be used in any contemporaneous or future professional services engagements for this or any other Client, without limitation.

This is not a Work for Hire agreement. LIFTOFF does not sell, assign or transfer ownership of any intellectual property used or developed by LIFTOFF in the performance of any services for the Client pursuant to this Agreement. Nothing contained herein or in any SOW hereunder shall be construed or interpreted as any such sale, transfer, conveyance or assignment of any right, title or interest by LIFTOFF in any of its intellectual property.

4. Invoice Remittance

Invoice payments must be sent to the LIFTOFF main office: 1667 Patrice Circle, Crofton, MD 21114. The LIFTOFF Federal ID number is: 27-1914176.

Payment terms are specified on the SOW. Payments are considered late on the 30th day after the due date. Late payments will incur a 2% late payment fee for each block of 30 or fewer days overdue (payments 30-60 days overdue will be assessed a 2% fee, payments 60-90 days overdue will be assessed a 4% fee, etc...)

5. Expenses

In addition to the charges for services as described above and with prior approval of the Client, the Client shall reimburse LIFTOFF for all reasonable and necessary expenses (including travel, lodging, travel meals, and other related costs) incurred in the course of performing services under this Agreement.

6. Confidentiality

Customer and Client acknowledge that, by reason of this Agreement, each may have access to certain information and materials concerning the others business, plans, customers, technology and products that are confidential. Such information and materials are of substantial value to each party, which value would be impaired if such information were disclosed to third parties. Neither party shall disclose to third parties, or use in any way for its own account or for the account of any third party, any such confidential information disclosed as a result of this Agreement.

7. Termination of Agreement

This Agreement shall be in effect until such time as all services have been fully performed by LIFTOFF and all invoices have been fully paid by the Client. This agreement may be terminated by either party for convenience upon sixty (60) days prior written notice. Termination by client for convenience will result in charges for all in-process work. Upon termination of this Agreement for any reason, Sections 3, 6, 8, 9 will survive and bind the parties in their entirety.

8. Indemnity, Disclaimers, Limitation of Liability

In no event shall LIFTOFF's aggregate liability arising from or relating to the agreement or the services rendered (regardless of the form or action, whether by contract, warranty, tort, malpractice, fraud, and/or otherwise) exceed the amount actually paid by the client to LIFTOFF for services rendered under the agreement.

In no event shall LIFTOFF be liable for any consequential, special, indirect, incidental, or punitive damages, or for any loss of profits, revenue or business opportunities, regardless of the form of action and even if LIFTOFF has been advised of the possibility thereof.

9. Non-Solicitation of Employees

During the term of this Agreement and for twelve (12) months thereafter, neither party will, either directly or indirectly, solicit for employment by itself (or any of its affiliates) any employee of the other party (or any of its affiliates), unless the hiring party obtains the written consent of the other party.

10. Governing Law/Jurisdiction

This contract will be governed by and construed in accordance with the laws of the State of Maryland, excluding its conflict of laws provisions.

The parties agree that any dispute arising from this Agreement shall be settled by arbitration in accordance with the Commercial Rules of the American Arbitration Association. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Where disputes are submitted to arbitration, the parties agree to accept the decision of the arbitrators as final and binding on both parties. Arbitration shall be conducted in Maryland in accordance with the laws of Maryland.

If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable.

All notices required or permitted under this Agreement shall be in writing and shall be deemed delivered as of the date delivered via facsimile, overnight mail or United States certified or registered mail, addressed as follows:

LiftOff, LLC
Ron Braatz, President
1667 Patrice Circle
Crofton, MD 21114

The Client further agrees to allow LIFTOFF to take public recognition of its engagement through the use of press releases, Internet postings, competition entries or other communication materials. This awareness will not violate any confidentiality provisions of this agreement, nor will it disclose any financial terms of the engagement without the prior written consent of the Client.

The failure of either Party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that Party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

This Agreement and the referenced SOW constitute the entire agreement between the parties, and supersede all prior or contemporaneous communications between the parties (whether written or oral) relating to the subject matter of this Agreement. This Agreement may only be modified or amended in a writing signed by both parties. There are no representations or commitments relied upon by either party not contained herein.

Palmdale Water District

By: _____

Name: _____ Date _____

Title: _____

Exhibit A – Initial Statement of Work

1. Work to Be Performed

- 1.1. LIFTOFF will provide **Guided Deployment Services** focused on the migration to the Office 365 solution. Specifically, the work will:
 - 1.1.1. Consist of an overall **“Coach/Mentor” approach**, where LiftOff will work with your IT Staff to determine the best approach for the migration and train your IT Staff on the new Microsoft Office 365 system.
 - 1.1.2. Consist of an **Assessment process** where we will complete an analysis of the current email environment and ensure that requirements are captured, core functionality is reviewed, and details for the migration are discussed and reviewed. This will be conducted via phone and typically takes 2-3 hours to complete.
 - 1.1.3. Assist in the purchase of the **Office 365 licenses** and review the licensing agreement with Microsoft.
 - 1.1.4. Consist of **Setup and Pre-Staging in the Office 365 Admin Console** where we will get the domain added, up-dated, and verified, and the users imported into the cloud system.
 - 1.1.5. Consist of identifying, testing, and implementing the **optimal email migration tools and strategies**. This does not include the setup or configuration of ADFS or long-term hybrid co-existence migration scenarios.
 - 1.1.6. Consist of **migration wrap-up support** to include modifying the MX record and verifying mail flow.
 - 1.1.7. Consist of consulting on the best way to download and install **Office Professional Plus 2013** for a few users (if applicable).
 - 1.1.8. Consist of consulting on the best way to install and configure **Lync Online** for a few users (if applicable).
 - 1.1.9. Require that the client assign LiftOff, LLC as the **Partner of Record** for a period of 24 months once the solution is purchased. Instructions for this will be provided. LiftOff's Partner ID number is 2823664.
 - 1.1.10. Conclude with a **Project Close-Out** consisting of tips for managing Microsoft support post-deployment and instructions for reviewing LiftOff's performance in the Microsoft Pinpoint System.
- 1.2. LIFTOFF will provide an **“Office 365 Workshop”** via phone with Client. Specifically, the work will include **mini-training sessions on:**
 - 1.2.1. The Office 365 Admin Center (OAC) and the Exchange Admin Center (EAC)
 - 1.2.2. Exchange Online Protection (EOP)
 - 1.2.3. PowerShell functionality within Office 365
- 1.3. Include the initial setup of **SharePoint Online** (if applicable) for a few users to include adding users and basic branding (logo, colors). **Advanced SharePoint development including data migration requires a separate contract.**
- 1.4. Provide copies of **planning materials and communications** including the Microsoft Office 365 Deployment Guide, LiftOff proprietary training material and prepared staff template communiques, and other migration literature as necessary.
- 1.5. This Statement of Work will commence upon acceptance of documents on dates negotiated between LIFTOFF and Client.

2. Investment & Payment Structure

- 2.1. The cost of the services outlined in Section 1 above is **\$4,000**. This pricing is valid for 30 days past the date identified in section 3.1. Invoicing is done after the Assessment Process (1.1.2) and terms are Net 30. All subscription software is licensed directly with Microsoft.
 - 2.1.1. Microsoft occasionally runs various promotions that serve as deployment rebates. Any Microsoft rebate that is applicable to this project has already been factored into the reduced amount listed in 2.1
- 2.2. Migration Wiz Premium, multi-pass licenses may be recommended for the project. These licenses typically cost \$12/user. If Client agrees to use Migration Wiz, Client will be responsible for purchasing licenses for all users. All migration licenses are purchased directly from Migration Wiz.

3. General Terms and Conditions

- 3.1. This Statement of Work will be bound by the terms of the Master Services Agreement between LIFTOFF & Client dated September 18, 2013, to which this Initial Statement of Work is attached as Exhibit A.

4. Signature

Agreed and Accepted by:

LiftOff, LLC

Palmdale Water District

By:

Ron Braatz
President

Date

By:

Name:
Title:

Date



Microsoft Online Services

Saru Pokharel | **Tele-Sales Engagement Manager** | **US Local Government** | [701-433-4501](tel:701-433-4501) | v-sapokh@microsoft.com

Microsoft respects your privacy. To learn more, please read our [Privacy Statement](#).



Company	CA – Palmdale Water District
Address	2029 E Avenue Q
City/State	Palmdale, CA 93550
Phone	(661) 947-4111
Contact Name	Jim Stanton
Quote Date	10/17/2013

State & Local Government Price Quote			
Product	SLG Price per User per Month	Number of Users	SLG Monthly Cost
O365 E3 Plan	\$17.00	100	\$1700.00
	\$		\$
	\$		\$
	\$		\$
Total per Year			\$20,400.00

**These figures are good for 30 days.
**This pricing is Microsoft's State & Local Government discount. It is only available through a Microsoft Online Services Professional.
**After purchase, these would be the costs to the customer for the 12 month duration of the Amendment Contract.
**This pricing is based on initial seat counts provided by the customer. It will remain the same if the seat count fluctuates.
**The services would be purchased online via the Microsoft Online Services Government Portal.
A 30 day trial will be initiated until Government standing can be verified, upon validation customer can move forward with paid subscription.
Standard validation timeframe is 3-4 business days.

Customers need a ready-to-go productivity solution that is inherently secure and trustworthy. To help you determine the security and trustworthiness of cloud productivity services and choose a cloud service provider that meets your security expectations, we have identified the key privacy and security considerations that should inform your decision.

[Top 10 questions you should ask your cloud service provider and how we answer them](#)

[Top 10 security and privacy features of Office 365](#)

[Top 10 compliance standards of Office 365](#)

Using these three top-ten lists can help you save time and make a more informed decision.

Top 10 questions you should ask your cloud service provider

1. Who owns the data I put in your service?
As described on the [Privacy page](#), you own your data.
2. Where is my data located?
The [Data maps page](#) describes how your location determines the primary storage location of your data.
3. How is my data protected from external attacks?
The [Security page](#) and the [Security white paper](#) describe the Office 365 approach to security.
4. Can I get my data out of your service whenever I want?
Yes. The [Data portability page](#) describes how you can download a copy of all of your data at any time and for any reason, without any assistance from Microsoft.
5. Will you use my data to build advertising products?
No. The [How we use your data page](#) shows you that Office 365 does not scan your email or documents for advertising purposes.
6. Will you tell me if things change, and will you tell me if my data is compromised?
Yes. The [Communications section](#) of the [Trust Center](#) describes how we communicate to you. We promptly notify you if your data has been accessed improperly.
7. Are you transparent with the way you store, use, and access my data?
Yes. The [Transparency page](#) explains that you know where your data resides, who at Microsoft can access it, and what we do with that information internally.
8. Do you put these commitments in writing?
Yes. The [Independently verified page](#) describes how Office 365 is willing to sign with each customer a data processing agreement, security amendment, HIPAA Business Associate Agreement, and the EU Model Clauses.
9. What are your commitments regarding keeping my service up?
Office 365 offers 99.9% uptime via a financially backed service level agreement. The [Office 365 Service continuity page](#) and [Service Level Agreement](#) describe our commitment to maintaining service availability.
10. Are you backing up my data?
Yes, we do replicate customer data. The [Office 365 Service continuity page](#) describes how we maintain multiple copies of your data.

Top 10 security and privacy features of Office 365

1. We restrict physical data center access to authorized personnel and have implemented multiple layers of physical security, such as biometric readers, motion sensors, 24-hour secured access, video camera surveillance, and security breach alarms.
2. We enable encryption of data both at rest and via the network as it is transmitted between a data center and a user.
3. We don't mine or access your data for advertising purposes.
4. We use customer data only to provide the service; we don't otherwise look in your mailbox without your permission.
5. We regularly back up your data.
6. We won't delete all the data in your account at the end of your service term until you have had time to take advantage of the data portability that we offer.
7. We host your customer data in-region.
8. We enforce "hard" passwords to increase security of your data.
9. We allow you to turn off and on privacy impacting features to meet your needs.
10. We contractually commit to the promises made here with the data processing agreement (DPA). For more information about the DPA, visit the Data Processing Agreement section of the [Independently verified page](#).

Top 10 compliance standards of Office 365

1. Health Insurance Portability and Accountability Act (HIPAA): HIPAA imposes on our customers that may be "covered entities" under the law security, privacy, and reporting requirements regarding the processing of electronic protected health information. Microsoft developed Office 365 to provide physical, administrative, and technical safeguards to help our customers comply with HIPAA. We will sign a [HIPAA Business Associate Agreement \(BAA\)](#) with any customer. For more information about the HIPAA BAA, visit the [HIPAA/HITECH FAQ](#).
2. Data processing agreements (DPAs): We provide customers with additional contractual assurances through DPAs regarding Microsoft handling and safeguarding of customer data. By signing DPAs, we commit to over 40 specific security commitments collected from regulations worldwide. [Click here to sign](#). (Enterprise agreement customers should contact their account representative to obtain a DPA.)
3. Federal Information Security Management Act (FISMA): FISMA requires U.S. federal agencies to develop, document, and implement controls to secure their information and information systems. The [FISMA FAQ](#) describes how the Office 365 service follows security and privacy processes relating to FISMA.
4. ISO 27001: ISO 27001 is one of the best security benchmarks available in the world. Office 365 is the first major business productivity public cloud service to have implemented the rigorous set of physical, logical, process and management controls defined by ISO 27001.
5. European Union (EU) Model Clauses: The EU Data Protection Directive, a key instrument of EU privacy and human rights law, requires our customers in the EU to

legitimize the transfer of personal data outside of the EU. The EU model clauses are recognized as a preferred method for legitimizing the transfer of personal data outside the EU for cloud computing environments. Offering the EU model clauses involves investing and building the operational controls and processes required to meet the exacting requirements of the EU model clauses. Unless a cloud service provider is willing to agree to the EU model clauses, a customer might lack confidence that it can comply with the EU Data Protection Directive's requirements for the transfer of personal data from the EU to jurisdictions that do not provide "adequate protection" for personal data. The [EU model clauses FAQ](#) describes the Microsoft regulator-endorsed approach for the EU model clauses.

6. U.S.–EU Safe Harbor framework: The U.S.-EU Safe Harbor framework also enables customers to legally transfer personal data outside of the EU under the EU Data Protection Directive. Office 365 follows the principles and processes stipulated by the U.S.-EU Safe Harbor framework.
7. Family Educational Rights and Privacy Act (FERPA): FERPA imposes requirements on U.S. educational organizations regarding the use or disclosure of student education records, including email and attachments. Microsoft agrees to use and disclosure restrictions imposed by FERPA that limit our use of student education records, including agreeing to not scan emails or documents for advertising purposes.
8. Statement on Standards for Attestation Engagements No. 16 (SSAE 16): Office 365 has been audited by independent third parties and can provide SSAE16 SOC 1 Type I and Type II reports on how the service implements controls.
9. Canadian Personal Information Protection and Electronic Documents Act (PIPEDA): The Canadian Personal Information Protection and Electronic Documents Act pertains to how private sector organizations collect, use, and disclose personal information in the course of commercial business. Microsoft supports compliance with PIPEDA through our administration of Office 365.
10. Gramm–Leach–Bliley Act (GLBA): The Gramm–Leach–Bliley Act requires financial institutions to put processes in place to protect their clients' nonpublic personal information. GLBA enforces policies to protect information from foreseeable threats in security and data integrity. Customers subject to GLBA can use Office 365 and comply with GLBA requirements.

Trust Center: Security, Privacy and Compliance Information for [Office 365](#) and [Microsoft Dynamics CRM Online](#)

Regulatory compliance

Is Microsoft committed to transparency to help customers comply with their regulatory needs?

Yes. Our Office 365 and Microsoft Dynamics CRM Online customers around the world are subject to many different laws and regulations. Legal requirements in one country or industry may be inconsistent with legal requirements applicable elsewhere. As a provider of global cloud services, we must run our services with common operational practices and features across multiple customers and jurisdictions. To help our customers comply with their own requirements, we build our services with common privacy and security requirements in mind, and our built-in capabilities help enable compliance with a wide range of regulations and privacy mandates.

However, it is ultimately up to our customers to evaluate our offerings against their own requirements, so they can determine whether our services satisfy their regulatory needs. We are committed to providing our customers detailed information about our cloud services to help them make their own regulatory assessments.

Information on certifications that may assist in regulatory compliance is located in the [Security, audits, and certification](#) section.

Are Office 365 and Microsoft Dynamics CRM Online compliant with my regulatory obligations?

It is your obligation to comply with your regulatory obligations. We provide you with information to help you do so.

We commit to compliance with data protection and privacy laws generally applicable to IT service providers. If you are subject to industry or jurisdictional requirements, you will need to make your own assessment of your ability to comply, but customers in many industries and geographies have found they can use Office 365 and Microsoft Dynamics CRM Online in a manner that remains in compliance with applicable regulations, provided they utilize the services in a manner appropriate to their particular circumstances.

For example, organizations covered by the EU Data Protection Directive should have their own policies, security, and training program in place to ensure their personnel do not use Office 365 or Microsoft Dynamics CRM Online services in a way that violates the Directive. Office 365 and Microsoft Dynamics CRM Online will do our part by abiding by the contractual promises we have made, thereby helping you remain compliant.

For example, a European Union (EU) customer may store a customer list that includes contact information. Office 365 and Microsoft Dynamics CRM Online have security procedures in place to ensure that Microsoft personnel do not inappropriately access or disclose this information. However, one of the customer's employees, who is a user of Microsoft Exchange Online, might use the service to send such a customer list to a marketer without appropriate consent. Any resulting violation of EU data protection requirements arising from Office 365 and Microsoft Dynamics CRM Online having followed the direction of the customer—namely, by causing an email to be sent in the ordinary course of providing the services—is the customer's responsibility.

If I am in Europe, is it legal for me to use Office 365 and Microsoft Dynamics CRM Online?

Under the EU Data Protection Directive and our contractual commitments, Office 365 and Microsoft Dynamics CRM Online act as the custodian of your data, essentially a subcontractor (the law calls us the "data processor").

You, the customer, have ownership of your data and the responsibility under the law for making sure that we are following the rules and that it is legal for you to be sending personal data to us (the law calls you the "data controller"). You must determine for your business in your particular situation if you may use our services to process and store your personal data.

Requirements of the EU Data Protection Directive have been accounted for in the design and operation of our services for normal use, and we continually monitor this area for changes relevant to the evolution of the services.

Microsoft is also self-certified under the U.S.–EU Safe Harbor and nearly identical U.S.–Switzerland Safe Harbor programs, as agreed to by the U.S. Department of Commerce and the EU and Switzerland, respectively. As a result, we are obligated to comply with the requirements of the EU Data Protection Directive, and we can legally transfer data outside of the EU to provide Office 365 and Microsoft Dynamics CRM Online services. The Microsoft Safe Harbor certification can be found at <http://safeharbor.export.gov/>. We understand that some customers need assurances that are more robust than what Safe Harbor self-certification can provide, which is why we are willing to sign the EU Model Clauses (also known as the “Standard Contractual Clauses”) with all customers. For more information on transfer of data outside the EU, see the Data Maps section of the Trust Center.

In some countries, we also adhere to the security requirements for storage of sensitive personal data, as defined by law. If you have concerns because of the rules in your country or the type of data you are storing, or would like more information about the practices and supported features of Office 365 or Microsoft Dynamics CRM Online, and if you are otherwise unable to find that information in the service documentation, you can contact Support. To the extent that it does not weaken our security to reveal helpful information, we will do so in order to help you make your own determination regarding the acceptability of the implementation of Office 365 or Microsoft Dynamics CRM Online against your requirements.

You should read the Compliance common questions and understand that just because Office 365 and Microsoft Dynamics CRM Online support your organization’s compliance with privacy laws, this does not mean that your organization is compliant; there may be additional steps you need to implement, such as putting the right company policies in place and training employees in good privacy practices. Also, depending on your country, there may be additional steps you need to take to comply with local law, such as filing information with your data protection agency.

Is customer data that is processed by Office 365 or Microsoft Dynamics CRM Online registered with EU authorities?

No, Office 365 and Microsoft Dynamics CRM Online, as data processors, do not register with EU authorities the customer data that we process on behalf of our customers.

Are Office 365 and Microsoft Dynamics CRM Online compliant with Health Insurance Portability and Accountability Act (HIPAA) requirements? Will Microsoft sign a HIPAA Business Associate Agreement (BAA)?

We help our customers comply with HIPAA and are willing to sign a HIPAA BAA with all customers. Please see the [HIPAA/HITECH FAQ](#) for more information.

Is Office 365 or Microsoft Dynamics CRM Online compliant with the Gramm Leach Bliley Act (GLBA)?

Office 365 and Microsoft Dynamics CRM Online help customers comply with the security requirements of GLBA by providing technical and organizational safeguards to help customers maintain security and prevent unauthorized usage.

Microsoft can provide customers, on request, a summary report of a third-party certification by an independent auditor.

Is Office 365 or Microsoft Dynamics CRM Online compliant with Payment Card Industry Data Security Standard (PCI DSS)? Can I host credit card data on your service?

Office 365 and Microsoft Dynamics CRM Online do not support the processing, transmitting, or storing of PCI governed data, such as credit card numbers.

The PCI standard is not applicable to Office 365 or Microsoft Dynamics CRM Online because credit card processing and data storage is not a function offered by Office 365 or Microsoft Dynamics CRM Online. Office 365 and Microsoft Dynamics CRM Online do apply applicable security policies and controls defined by industry best practices, such as ISO 27001 and others.

Please note, however, that the Office 365 and Microsoft Dynamics CRM Online ordering, billing, and payment systems that handle credit card data are Level One PCI Compliant, and customers can use credit cards to pay for the services with confidence.

Is Office 365 compliant with FERPA?

While an educational institution has many varied obligations under FERPA, Microsoft stipulates the key contractual terms that govern the use and disclosure of education records that may be stored in Office 365, allowing educational institutions to use Office 365 as part of a broader FERPA compliance strategy.

FERPA requires any educational agency or institution that receives funding from the U.S. Department of Education to protect privacy rights of students by safeguarding "education records" from use or disclosure without consent. Department of Education guidance makes clear that email communications are considered education records subject to FERPA and that cloud email providers should be similarly restricted in how they use or disclose information in emails and documents.

FERPA requires that a cloud provider agree that "education records" contained in faculty, staff, and student emails and other electronic documents will be used only for the narrow purpose of providing the cloud service and that such information will not be scanned or used to support and maintain commercial activities such as advertising. Microsoft provides educational institutions with a route to FERPA compliance by agreeing to be deemed a "school official" subject to FERPA with "legitimate educational interests" in the institution's data, and by agreeing to abide by the limitations and requirements imposed by FERPA on school officials, including agreeing that it will not scan institution emails or documents for advertising purposes.