

Title:		Contents:	M-1400
SOFTWARE UPGRADES, MAINTENANCE AND SUPPORT		Submitted By:	Purchasing Division
		Approved By:	Purchasing Agent
Effective Date:	12-10-01	Supersedes No.:	
		Page No.	1 of 1

Purpose

The purpose of this purchasing procedure is to distinguish the differences between software upgrades, maintenance and support.

Software Upgrades

Software upgrade is replacing Windows 95 with Windows 98 or other similar type transactions. This type of transaction is purchased “off the shelf” and is considered the acquisition of personal property and subject to California sales tax.

Software Maintenance

Software maintenance and software upgrade are similar. Software applications are generally designed for mid-range and mainframe from such companies as Computer Associates and Oracle. Enhancements to the software packages are maintained or purchased annually based on the input of user groups. Acquisition of software maintenance is considered personal property and subject to California sales tax.

Software Support

Software support is used when a software developer is used to provide customized programming of existing or new software application(s) exclusively for the department. Software support is considered a “service” and is not taxable and subject to the Purchasing Agent’s sundry service limit of \$100,000. Department must obtain a Board contract if the requirements exceed \$100,000.