



AGENDA REPORT

PROPOSED ACTION: Resolution: Approve and Authorize the Executive Director to Enter into an Agreement with NetXperts, LLC for Cisco Smart Net Subscription and Software Licensing for a Five-Year Term in an Amount Not to Exceed \$1,018,600. (Information Technology)

Submitted By: Kyle Mobley, Director of Information Technology; Danny Wan, Executive Director

Parties Involved: NetXperts, LLC, Walnut Creek, CA

Amount: \$1,018,600 (Operating Expense)

EXECUTIVE SUMMARY: The Port of Oakland's (Port) Information Technology (IT) infrastructure depends on network equipment from Cisco Systems, Inc. (Cisco), and the Port subscribes to Cisco's Smart Net service to receive timely support and replacement equipment when issues arise. The Port also licenses Cisco's software to properly monitor and manage the equipment. The Port's current Smart Net subscription and software licensing are expiring on June 30, 2023. Port staff executed a formal bid process to renew the services and NetXperts, LLC (NetXperts) was the lowest responsive and responsible bidder.

BACKGROUND & ANALYSIS

Cisco is the world's leading provider for IT networking equipment. The Port's IT network includes about 500 pieces of Cisco equipment to ensure that data can easily flow between the Port's servers and computers throughout all Port locations. The Port subscribes to Cisco's Smart Net program to ensure the Port's IT network functions at a high level and has the latest security patches. When an issue occurs with Cisco's equipment, Smart Net subscribers gain access to timely, expert technical support through the Cisco Technical Assistance Center 24 hours a day and 365 days per year. If equipment fails, Smart Net subscribers will be sent replacement equipment quickly. Moreover, subscribers receive actionable security alerts, vulnerability alerts, relevant product notices, and service availability alerts. The Port also is licensed to use Cisco's software which is needed to analyze and monitor the equipment as well as manage the equipment's functionality.

On April 28, 2023, the Port issued a formal Invitation to Bid to find authorized Cisco partners and resellers to extend its Smart Net subscription and software licensing for the Port's existing equipment. The lowest responsive, responsible bidder was NetXperts:

Table 1: Bid Ranking

Ranking	Company	Location	Bid Price
1	NetXperts LLC	Walnut Creek, CA	\$970,078.00
2	Saitech, Inc.	Fremont, CA	\$978,995.00
3	GigaKOM	San Diego, CA	\$1,540,884.41

NetXperts, a Cisco Gold Certified Partner, has built its reputation as a leader in network solutions by providing top notch services to local Bay Area organizations. NetXperts was the lowest responsive, responsible bidder via the formal bid process.

The amount requested in this Board action includes a 5% contingency to cover any changes in Cisco Smart Net subscription or software licensing that may be needed.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

- ☐ Categorically exempt under the following CEQA Guidelines Section:
Choose an item.
- ☒ Not a "Project" under CEQA, as defined in Public Resources Code § 21065.
- ☐ Other/Notes:

BUDGET

- ☐ Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR
- ☒ Operating ☐ Non-Operating ☐ Capital

Analysis: The total cost for all 5 years is \$1,018,600 which includes a 5% contingency with the entire cost paid upfront. The total cost will be amortized over 5 fiscal years. Approximately 60% of the hardware is located at the Oakland International Airport (OAK), so 60% of the cost is included in Aviation IT's proposed FY 2023-2024 Operating Expense budget with a portion of the costs recoverable through airline rates and charges. The other 40% is included in IT's proposed FY 2023-2024 operating budget.

STAFFING

- ☒ No Anticipated Staffing Impact.
- ☐ Anticipated Change to Budgeted Headcount.
Reason:
- ☐ Other Anticipated Staffing Impact (e.g., Temp Help).
Reason:

**MARITIME AND AVIATION PROJECT
LABOR AGREEMENT (MAPLA):**

LIVING WAGE (City Charter § 728):
Applies?

<p><u>Applies?</u> No (Not Aviation or Maritime CIP Project) – proposed action is not covered work on Port’s Capital Improvement Program in Aviation or Maritime areas above the threshold cost.</p> <p><input type="checkbox"/> <u>Additional Notes:</u></p>	<p>No (Goods) – proposed action entails an agreement for goods, commodities, supplies, or equipment with incidental service provisions (if any) that are not covered by the Living Wage requirements.</p> <p><input type="checkbox"/> <u>Additional Notes:</u></p>								
<p><u>SUSTAINABLE OPPORTUNITIES:</u></p> <p><u>Applies?</u> Yes.</p> <p><u>Reason:</u> Maintaining the Smart Net subscription and software licensing will help the Port continue to use existing equipment.</p>	<p><u>GENERAL PLAN</u> (City Charter § 727):</p> <p><u>Conformity Determination:</u></p> <p>No Project – conformity determination not required because proposed action does not change use of or make alterations to an existing facility, or create a new facility.</p>								
<p><u>STRATEGIC PLAN.</u> The proposed action would help the Port achieve the following goal(s) and objective(s) in the Port’s Strategic Business Plan:</p> <table border="0"> <tr> <td><input type="checkbox"/> Grow Net Revenues</td> <td><input checked="" type="checkbox"/> Modernize and Maintain Infrastructure</td> </tr> <tr> <td><input type="checkbox"/> Improve Customer Service</td> <td><input type="checkbox"/> Pursue Employee Excellence</td> </tr> <tr> <td><input type="checkbox"/> Strengthen Safety and Security</td> <td><input type="checkbox"/> Serve Our Community</td> </tr> <tr> <td><input type="checkbox"/> Care for Our Environment</td> <td></td> </tr> </table>		<input type="checkbox"/> Grow Net Revenues	<input checked="" type="checkbox"/> Modernize and Maintain Infrastructure	<input type="checkbox"/> Improve Customer Service	<input type="checkbox"/> Pursue Employee Excellence	<input type="checkbox"/> Strengthen Safety and Security	<input type="checkbox"/> Serve Our Community	<input type="checkbox"/> Care for Our Environment	
<input type="checkbox"/> Grow Net Revenues	<input checked="" type="checkbox"/> Modernize and Maintain Infrastructure								
<input type="checkbox"/> Improve Customer Service	<input type="checkbox"/> Pursue Employee Excellence								
<input type="checkbox"/> Strengthen Safety and Security	<input type="checkbox"/> Serve Our Community								
<input type="checkbox"/> Care for Our Environment									