



AGENDA REPORT

PROPOSED ACTION: Resolution: Approve and Authorize the Executive Director to Enter into an Agreement with Questivity, Inc. (or the Next Lowest Responsive and Responsible Bidder) to Renew VMware Licensing/Support for Three Years for an Amount Not to Exceed \$479,938.56 (or Next Corresponding Low Bid Amount); and Finding that the Proposed Action is Exempt Under the California Environmental Quality Act. **(Technology & Innovation)**

Submitted By: Kyle Mobley, Director of Technology & Innovation; Kristi McKenney, Executive Director

Parties Involved: Questivity, Inc., Santa Clara, CA

Amount: \$479,939 (Operating)

EXECUTIVE SUMMARY: The Port of Oakland (Port) uses VMware products to run its server infrastructure. The current VMware licensing/support agreement is set to expire on July 31, 2025. Questivity, Inc. (Questivity) submitted the lowest responsive and responsible bid to renew for three years.

BACKGROUND & ANALYSIS

The Port uses technology from VMware that allow multiple servers to run “virtually” on single physical servers. This technology allows the Port to increase server hardware utilization, reduce costs, simplify management, improve disaster recovery capabilities, and quickly increase or reduce servers as needed. Port Staff anticipates continued and increased usage of VMware products during the term of the agreement, as they are an industry standard solution and market leaders in the virtualization field.

It is essential that the Port renew licensing and support for the VMware products currently being used. Without the renewal, the Port would no longer be licensed to operate the current server inventory. Moreover, Port Staff would no longer have access to VMware support services, which are necessary to keep Port technology operations running.

VMware licensing agreements also provides the Port with the following benefits:

- Security and functional patches, enhancements, updates, and new versions
- Flexibility to respond to changing business priorities
- Improved manageability of our licensing

Port Staff conducted a formal bid process (#24-25/29) in June 2025. The results of the solicitation for the 3-year renewal are as follows:

<u>Bidder</u>	<u>Location</u>	<u>Bid Amount</u>
Questivity, Inc.	Santa Clara, CA	\$479,938.56
Saitech Inc.	Fremont, CA	\$480,145.28
Millard Tek LLC	Clarksburg, MD	\$485,937.92
Dasher Technologies Inc.	Campbell, CA	\$491,939.20
CDW Government LLC	Vernon Hills, IL	\$492,896.64
vCloud Tech Inc.	Rolling Hills Estates, CA	\$493,386.24
Natix Inc.	Meadow Vista, CA	\$494,778.88

Questivity was determined to be the lowest responsive and responsible bidder and is approved by VMware as an authorized reseller. Should the Port and Questivity not be successful in executing a mutually agreeable agreement, Port staff requests authority to negotiate with the next lowest responsive and responsible bidder(s) until an agreement is reached.

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.

☒ "Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).

☐ Other/Notes:

BUDGET

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

☒ Operating

☐ Non-Operating

☐ Capital

Analysis: Approval of the agreement will result in FY 2025-26 expenses exceeding the Adopted FY 2025-26 Budget by approximately \$24,700 due to bids coming in higher than anticipated. There is not budget impact as the cost overrun is anticipated to be absorbed through underspending in other areas. Future costs will be included in future budgets. A portion of the costs are recoverable through airline rates and charges.

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):

Applies? 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.

☐ Additional Notes:

LIVING WAGE (City Charter § 728):

Applies?

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.

☐ Additional Notes:

SUSTAINABLE OPPORTUNITIES:

Applies? Yes.

GENERAL PLAN (City Charter § 727):

Conformity Determination:

<p><u>Reason:</u> VMWare's virtual servers save energy compared with physical servers.</p>	<p>Not Required – 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) in the Port's Strategic Plan:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Capture Our Market and Grow the Economic Base <input checked="" type="checkbox"/> Modernize and Upgrade Infrastructure <input type="checkbox"/> Transition to Zero-Emissions and Build Climate Resilience <input type="checkbox"/> Maximize Land Use Value and Revenues <input type="checkbox"/> Workforce Training and Jobs Development <input type="checkbox"/> Create Opportunities for Local Businesses and Community Economic Development 	