

AGENDA REPORT

Resolution: Approve and Authorize the Executive Director to Enter into an Agreement with CDW Government LLC to Procure an Information Technology Storage System in an Amount Not to Exceed \$224,000. **(Finance & Admin.)**

MEETING DATE: 7/11/2019

AMOUNT: \$224,000

Capital Expenditure

PARTIES INVOLVED: CDW Government LLC, Vernon Hills, IL
Christine A Leahy, CEO

Hewlett Packard Enterprise Company, San Jose, CA
Antonio Neri, President & CEO

SUBMITTED BY: Sara Lee, Chief Financial Officer

APPROVED BY: J. Christopher Lytle, Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

The Port's main information technology (IT) storage system is nearing end of life and will need to be replaced. This action would authorize an agreement with CDW Government LLC (CDW-G) to procure a new IT storage system made by Hewlett Packard Enterprise Company (HPE) via National IPA (recently purchased by Omnia Partners), through a competitive solicitation process conducted by the City of Mesa, Arizona and authorized under Port Ordinance 4321, Section 7.D.4 (competitive cooperative purchase agreements -- known as piggyback-able contracts). The City of Mesa, Arizona's Agreement is the vehicle by which HPE has authorized competitive prices for government agencies.

BACKGROUND

The Port's main IT storage system is used to store most of the Port's non-aviation related files, data, and programs. It also provides the storage for the Port's many servers. The system will be at end of life and no longer be supported by its manufacturer in December 2019. Port staff determined that the best replacement option is the Nimble HF60 storage system made by HPE.

ANALYSIS

It is essential that the Port replace its seven-year-old storage system. Without the replacement, the Port's existing storage system would no longer get support from the manufacturer when the system eventually fails. Moreover, the new system provides much faster speeds and three times the storage capacity compared with the existing system. This is essential as the Port's data storage needs continually increase.

The City of Mesa, Arizona Agreement (conducted through National IPA/Omnia Partners) is the vehicle by which HPE has authorized competitive pricing for government agencies. Under this agreement, HPE products would be purchased via CDW-G, a national reseller.

Port Ordinance 4321, Section 7.D.4 (competitive cooperative purchase agreements) allows the Port to leverage the competitive procurements conducted by other governmental agencies provided the award of the contract was based on the agency's published competitive procurement or bidding procedures and not based on the waiver of competition. Staff is requesting authorization to use the National IPA/Omnia Partners' City of Mesa, Arizona cooperative purchasing agreement in lieu of a separate formal bid process.

Through the National IPA/Omnia Partners competitive cooperative purchasing agreement for CDW-G, HPE has offered a price of \$309,000 for the system, but if the system is procured before July 19, 2019, the cost is \$224,000. System maintenance and support by HPE for the first three years are included. Thereafter, annual maintenance cost is estimated to be approximately \$13,500. This compares with the \$16,250 annual maintenance cost of the existing system.

BUDGET & STAFFING

This equipment is included in the Port's FY 2019-20 Capital Budget Pipeline and therefore included in the Port's financial planning and cash flow. The purchase will be funded with Port cash. The proposed action does not have any staffing impact.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

The matters included in this Agenda Report do not fall within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) and the provisions of the MAPLA do not apply.

STRATEGIC PLAN

The action described herein would help the Port achieve the following goals and objectives in the Port's Strategic Business Plan (2018-2022).

<https://www.portofoakland.com/wp-content/uploads/Port-of-Oakland-Strategic-Plan.pdf>

- Goal: Modernize and Maintain Infrastructure

LIVING WAGE

Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements, do not apply because the contract is not a covered service contract, but a contract for goods, commodities, supplies or equipment with incidental service provisions.

SUSTAINABILITY

Port staff reviewed the Port's 2000 Sustainability Policy and did not complete the Sustainability Opportunities Assessment Form. Port staff concluded that there are no sustainability opportunities related to this proposed action.

ENVIRONMENTAL

The purchase of a new storage system was reviewed in accordance with the requirements of the California Environmental Quality Act (CEQA), and the Port CEQA Guidelines. CEQA applies only to actions which have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. It can be seen with certainty that there is no possibility that a new storage system would result in a physical change in the environment, and therefore this action is not subject to CEQA.

GENERAL PLAN

This action does not change the use of any existing facility, make alterations to an existing facility, or create a new facility; therefore, a General Plan conformity determination pursuant to Section 727 of the City of Oakland Charter is not required.

OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)

This action is not subject to the Port's Owner Controlled Insurance Program (OCIP) as it is not a capital improvement construction project.

OPTIONS

- Authorize the Executive Director to enter into an agreement with CDW Government LLC to procure a new HPE Nimble HF60 storage system using the National IPA/Omnia Partners' cooperative purchasing agreement developed by the City of Mesa, Arizona for an amount not to exceed \$224,000. This is the recommended action.
- Do not use the cooperative purchasing agreement developed by the City of Mesa, Arizona, conduct a standalone formal competitive bid, and separately negotiate a contract for services. This is not recommended because the Port would not be able to take advantage of the special, time limited discount.

RECOMMENDATION

Port staff recommends that the Board approve and authorize the Executive Director to enter into an agreement with CDW Government LLC to procure a new HPE Nimble HF60 storage system using the cooperative purchasing agreement developed by the City of Mesa, Arizona through National IPA/Omnia Partners for an amount not to exceed \$224,000, as further described in this Agenda Report.