

AGENDA REPORT

Resolution: Approve and Authorize the Executive Director to Enter into an Agreement with NetXperts Inc. to Provide Cisco Smart Net Maintenance and Support for Five Years in an Amount Not to Exceed \$448,003.25. **(Finance & Admin.)**

MEETING DATE: 6/28/2018

AMOUNT: \$448,003.25

Operating Expense

PARTIES INVOLVED: NetXperts, Inc., Walnut Creek, CA
Carol Ann Nordine, President

SUBMITTED BY: Sara Lee, Chief Financial Officer

APPROVED BY: J. Christopher Lytle, Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

The Port's Information Technology (IT) infrastructure depends on network equipment from Cisco Systems, Inc. (Cisco), and the Port currently subscribes to Cisco's Smart Net service to receive timely support and replacement equipment when issues arise. This action would authorize an agreement with NetXperts Inc. to extend Cisco Smart Net maintenance and support for five years at a total cost of \$448,003.25, which includes a 5% contingency.

BACKGROUND

Cisco is the world's leading provider for IT networking equipment. The Port's IT network includes over 200 pieces of Cisco equipment to ensure that data can easily flow between the Port's servers and computers throughout all Port locations. Cisco offers technical support and timely replacement equipment via their Smart Net program. The Port subscribes to the Smart Net program and seeks to renew the subscription with a new reseller.

ANALYSIS

Cisco Smart Net is needed 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 will receive actionable security alerts, vulnerability alerts, relevant product notices, and service availability alerts.

On May 23, 2018, the Port issued a formal Invitation to Bid to find registered Cisco partners and authorized resellers to extend its Smart Net subscription for the Port's existing equipment. Cisco only offers Smart Net subscriptions via registered partners and authorized resellers who have the certification/ specialization level required by Cisco to support both product sale and product pricing, and have sourced all products from the manufacturer (Cisco) or through a manufacturer-authorized channel only.

The lowest responsive, responsible bidder was NetXperts Inc., as follows:

<u>Ranking</u>	<u>Company</u>	<u>Location</u>	<u>Bid Price</u>
1	NetXperts	Walnut Creek, CA	\$426,669.74
2	Zones	Auburn, CA	\$447,193.67
3	Sirius	San Antonio, TX	\$457,610.27
4	PCMG	Herndon, VA	\$463,061.28
5	Entisys	Concord, CA	\$470,385.91
6	Presidio NSG	Pleasanton, CA	\$471,535.61
7	GovSmart	Charlottesville, VA	\$479,277.05
8	Red River	Reston, VA	\$480,494.70
9	Looking Point	Pleasant Hill, CA	\$481,919.38

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 since 1996.

Since NetXperts was the lowest responsive, responsible bidder via the formal bid process, the Port seeks to enter into an agreement with them to renew Smart Net for five years.

Port staff also seeks a 5% contingency to cover changes in Cisco Smart Net when Cisco equipment is added or replaced over the five-year term.

BUDGET & STAFFING

The total cost for all 5 years is \$448,003.25 (\$89,600.65 annually) which includes a 5% contingency. Approximately 65% of the hardware is located at the Oakland International Airport (OAK), and 65% of the cost for Smart Net is included in Aviation IT's proposed FY 2018-19 Operating Expense budget with a portion of the costs recoverable through airline rates and charges. The other 35% is included in IT's proposed FY 2018-19 operating budget.

There will be no change in Port staffing.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

The work performed under these contracts is not within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) and the provisions of the MAPLA do not apply to this work.

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 (the "Living Wage Regulations"), do not apply to this agreement as the service provider does not employ 21 or more employees working on Port-related work. However, the service provider will be required to certify that should living wage obligations become applicable, the service provider shall comply with the Living Wage Regulations.

SUSTAINABILITY

Port staff have reviewed the Port's 2000 Sustainability Policy and did not complete the Sustainability Opportunities Assessment Form. There are no sustainability opportunities related to this proposed action because it does not involve a development project, purchasing of equipment, or operations that presents sustainability opportunities.

ENVIRONMENTAL

CEQA Determination: The California Environmental Quality Act (CEQA) Guidelines, Section 15061(b)(3) ("the general rule") states that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Executing an agreement with NetXperts to purchase Cisco Smart Net will not have a significant effect on the environment and therefore is not a project under CEQA. No further environmental review is required.

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)

The Owner Controlled Insurance Program (OCIP) does not apply to the matters addressed by this Agenda Report as they are not capital improvement construction projects.

OPTIONS

- Approve and authorize the Executive Director to enter into an agreement with NetXperts Inc. to provide Cisco Smart Net Maintenance and support for a period of five years for a total cost not to exceed \$448,003.25. This is the recommended option.
- Do not authorize the new agreement, reject lowest bid, and direct staff to choose one of the other bidders.
- Do not authorize the Executive Director to enter an agreement. However, this option will leave the Port without proper technical support and timely equipment replacement for the Port's Cisco network equipment.

RECOMMENDATION

It is recommended that the Board approve and authorize the Executive Director to enter into an agreement with NetXperts Inc. to provide Cisco Smart Net Maintenance and support for a period of five years for a total cost not to exceed \$448,003.25, as further described in this Agenda Report and subject to approval as to form and legality by the Port Attorney.