



Legislation Details (With Text)

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On agenda: 4/4/2019 **Final action:** 4/4/2019

Title: Actions pertaining to a comprehensive network upgrade:
1. Approve a cooperative purchase agreement with AMS.NET, Inc., in the amount of \$9,500,000.00.
2. Authorize the Chief Information Officer to enter into a finance agreement with Key Government Finance, Inc., on behalf of Cisco Systems Capital Corp., in the amount of \$9,748,900.00.
3. Authorize the Chief Information Officer to enter into all agreements necessary to facilitate the cooperative purchase and financing of the network equipment purchase.

Sponsors: Information Services Department

Indexes:

Code sections:

Attachments: 1. Master TELP Financing Doc Set GRANICUS.pdf, 2. Merced County FOCUS Contract.pdf, 3. Merced County FOCUS Contract_EXTENSION 2019.pdf

Date	Ver.	Action By	Action	Result
4/4/2019	2	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

April 4, 2019

FROM: BRYON HORN, Chief Information Officer
Information Services Department

SUBJECT

Actions pertaining to a comprehensive network upgrade:

1. Approve a cooperative purchase agreement with AMS.NET, Inc., in the amount of \$9,500,000.00.
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3. Authorize the Chief Information Officer to enter into all agreements necessary to facilitate the cooperative purchase and financing of the network equipment purchase.

RECOMMENDATION

Staff recommends that Council authorize the Chief Information Officer to enter into a cooperative purchase agreement, and a finance agreement with Key Government Finance, Inc., on behalf of Cisco Systems Capital Corp., in the amount of \$9,748,900.00 for a comprehensive network upgrade consisting of Cisco equipment priced from the cooperative agreement, Merced County FOCUS

Agreement (Contract #2015109) purchased through AMS.NET, Inc.

The finance agreement with Key Government Finance, Inc., will be for a period of five years with quarterly lease payments in the amount of \$487,445.00 per quarter. The payment has no pre-payment penalty; therefore, payments can be made annually.

EXECUTIVE SUMMARY

The City's network is outdated and its core equipment is end of life/nearing end of life and/or end of support. The network core has been in place for over 13 years and is in dire need of replacement. On December 14, 2017, ISD entered into an agreement with Cisco Systems, Inc., for a network assessment and technology review in order for ISD to make an educated, informed and fiscally responsible decision on which components need to be replaced,. This assessment was completed in April of 2018 and ISD began working on a roadmap for replacement.

ISD has funds in current fiscal year (FY19) for the first quarterly payment and subsequent years will be budgeted accordingly.

BACKGROUND

The City's network is outdated and its core equipment is end of life/nearing end of life and/or end of support. The Information Services Department (ISD) completed a needs and technology assessment in April 2018. Upon the completion of the assessment, ISD worked diligently to construct a network design that would satisfy the needs of the City's networking as well as position the City for future growth and cyber threats. This network solution is engineered using Cisco Systems equipment and will not only ensure that the City is protected from current and future threats, it will also give the City a platform from which it can securely implement cloud services as well as ensure that the City has a solution that is technologically sound, current and will last past the life of the lease.

Cisco is the manufacturer of the City's networking equipment and does not directly sell to customers; they require a purchase via an authorized reseller. AMS.NET is an authorized reseller for Cisco products and services. The project is competitively priced from a cooperative agreement, Merced County FOCUS Agreement (Contract #2015109), via AMS.NET.

ENVIRONMENTAL FINDINGS

The approval of this purchase is not a project as defined by the California Environmental Quality Act.

LOCAL PREFERENCE

Local preference was not implemented because items are being procured through a cooperative purchasing agreement. AMS.NET also has local presence in Fresno.

FISCAL IMPACT

Information Services Department's approved FY19 budget contains appropriations for the first quarterly lease payment and the remaining payments will be budgeted in subsequent years. The funding for this citywide project will be allocated to all operating funds including Enterprise, Internal Service and General Funds. This project has been added to the General Fund 5-year projection.

Attachments:

Finance Lease/Purchase Agreement

Solution Proposals (*not included for confidentiality/security*)

Product Quote Proposal (*not included for confidentiality/security*)

Merced County FOCUS Contract #2015109