



Agenda Report

21-796

Agenda Date: 7/13/2021

REPORT TO COUNCIL

SUBJECT

Action on Agreements with Presidio Networked Solutions Group, LLC and Presidio Technology Capital, LLC for Equipment and Services to Upgrade the City's Metro Area Network

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

In 2010, the Information Technology Department (ITD) conducted a competitive procurement, for the City's current Metropolitan Area Network (MAN) which was designed and installed in 2010/2011. The Enterprise Network provides internet, voice, data and video services. The existing network infrastructure is a complex architecture containing a variety of networking, routing and security equipment and capabilities. The City has two main data centers: City Hall and the Police Department (PD), running the City's mission critical public safety, cyber security infrastructure and business applications with failover capabilities. In addition, the data centers connect to 45 City locations providing telephony, internet access, staff and public WiFi, card access, security video, and access to citywide & departmental applications.

The City has a significant existing investment in the current network infrastructure, support, staffing and knowledge base. The City's existing investment in the Metro Area Network is estimated to be approximately \$20M+ including hardware, software, and services. Some of the equipment is aging or at end of life with no additional security updates or support available. Staff utilizes third party support to continue operations. Over the years, due to the continued expansion and growth, many of the switches are at full capacity. In addition, staff relies on older technology and tools to manage the network. Mindful of these drivers, in 2019, the City conducted a comprehensive assessment of the Metro Area Network. A key finding was to replace the end-of-life equipment. Other findings included but are not limited to, making changes to the architecture, and mitigating certain single points of failure to support mission critical needs. Based on the age of the equipment and changing organizational needs as well as cyber security needs, the Metro Area Network needs updating, and the equipment refreshed.

DISCUSSION

Pursuant to City Code Section 2.105.330, a formal Request for Proposal (RFP) was conducted as the solicitation method for this procurement, with the award recommendation based on "best value". The factors considered in the award were firm experience, qualifications, technical capability, and cost.

In 2020, a competitive Request for Proposal (RFP) was advertised on the City's bid notification system for a Contractor to upgrade the City's network. Four proposals were received from Claro

Enterprise Solutions, LLC, Integration Partners, Information Technology for People, and Presidio Networked Solutions Group, LLC. The proposal evaluation process was conducted in two phases. Phase 1 evaluated the experience and qualifications of each firm. The highest scoring proposers advanced to Phase 2 where technical capability and cost were evaluated. Finalists were required to participate in oral interviews and submit a Best and Final Offer.

References were then checked with Oakland County Government and the Washington Department of Revenue. Both references checked positive.

Presidio Networked Solutions Group, LLC is recommended for award of contract as having submitted the best value proposal. Their solution was determined to be closely aligned with the requirements and skill set required. In addition, their solution enhances the City's cyber security posture and provides updated technologies and growth to better meet the City's evolving business needs. Business needs include an increased mobile workforce and the need for seamless connectivity between cloud-based and on-premise applications while maintaining a secure environment. Technologies and equipment proposed in their solution provides better management, analytics, and response tools.

Under the proposed agreement Presidio Networked Solutions Group, LLC will provide professional services for project planning, system implementation, configuration, testing, training, and support services. The project will be broken into two phases. Phase 1 is for the design and implementation of the network management equipment and cybersecurity infrastructure upgrades. Phase 2 is for the implementation of the network switchgear. The initial term of the agreement will be six years. The City may exercise up to two, five-year options to extend the agreement at the end of the initial term.

In addition, the proposed agreement includes a detailed scope of services, project plan, compensation schedule for each phase with payments tied to the successful completion of key project deliverables.

Pricing for professional services, system implementation, and ongoing maintenance and software subscriptions are fixed for the initial six-year term of the agreement, with maximum compensation not to exceed \$1,535,232.74 including a contingency of \$65,482.85. Hardware pricing is 78% off list price and is valid through July 31, 2021. For any additional hardware during the initial six-year term, the City will receive a minimum of a 50% discount off list price.

There are three options to pay for software subscriptions and maintenance: (1) full payment in advance, (2) finance through Presidio Technology Capital, LLC for annual payments including a total finance cost of \$58,575.14, or (3) pay annually with price increases of an estimated additional cost over five years of \$260,000. Staff's recommendation is for option 2. The recommendation includes an installment agreement with Presidio Technology Capital, LLC to finance software subscriptions, maintenance and support costs. The total amount financed is \$784,795.65, which is fixed for five years and payable annually in five equal installments, subject to annual appropriation of funds. In addition, the recommended option allows the City greater flexibility to pay for services as they are utilized and provides a cost savings to the City.

In addition, to the services described in this agreement the RFP also allowed for expansion of the system including additional hardware, software subscriptions, and other network related products and services throughout the term of the agreement.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

Funding for equipment, services, maintenance and software subscription costs for the first year of the contract (\$841,913) and the Contingency (\$65,483) is currently available in the Replace Network Equipment capital project (project #6505) in the General Government Capital Fund that has a FY 2021/22 budget of \$936,889. Funding for subscription and maintenance costs of \$156,959 annually in years 2 - 5 of the agreement will need to be added to the budget and this agreement is subject to appropriation of funds. In addition, it is anticipated that in FY’s 22/23 & 23/24, stadium network equipment will need upgrades and requests for funding for the stadium equipment will be presented to the Stadium Authority during the next budget cycle.

COORDINATION

This report has been coordinated with the Finance Department and the City Attorney’s Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Authorize the City Manager to negotiate and execute an agreement with Presidio Networked Solutions Group, LLC to provide services for a network upgrade including hardware, software subscriptions, implementation, project contingency of \$65,482.85, and ongoing maintenance and support, with maximum compensation not to exceed \$1,535,232.74, with a six-year term commencing on or about July 14, 2021, subject to the annual appropriation of funds;
2. Authorize the City Manager to negotiate and execute an agreement with Presidio Technology Capital, LLC to finance installment payments for software subscriptions maintenance and support, subject to the annual appropriation of funds;
3. Authorize the City Manager to execute amendments to the agreement as may be required for any future network needs, subject to the appropriation of funds; and
4. Authorize the City Manager to execute two additional five-year options to extend the term of the agreement to support future network needs, ongoing maintenance, and software subscriptions, subject to the appropriation of funds.

Reviewed by: Gaurav Garg, Director, Information Technology

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Draft Agreement with Presidio Networked Solutions Group, LLC