



TO: Board of Contracts and Awards
FROM: Jack Kelanic, Director of Information Technology
Linda D. Trehuba, IT Supervisor, Information Technology Department
COPY: City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and
Cynthia Lewis, Finance/Purchasing
SUBJECT: Hardware and software maintenance for the Cisco corporate data network through May
31, 2019 - Requested City Council Date of July 25, 2017
DATE: July 11, 2017

SUMMARY:

The Information Technology Department recommends approval for a contract to be awarded to Cerium Networks, Spokane, WA, in the amount of \$470,894.75 plus applicable sales tax, for one-year nine-months and twenty-days of Cisco SMARTnet maintenance for the City’s Cisco networking equipment from August 11, 2017 through May 31, 2019 to co-terminate with the end date of NASPO VP Cisco AR-233 contract, Washington State Participating Addendum 01114.

STRATEGIC POLICY PRIORITY:

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

This contract assures ITD provides hardware and software maintenance on the City of Tacoma’s corporate network to ensure critical City business applications and communications with the citizens of Tacoma are commercially supported.

BACKGROUND:

ISSUE: The Information Technology Department utilizes Cisco SMARTnet services to provide hardware maintenance and software updates for all of the City network equipment. The SMARTnet maintenance services provided by this contract are routine in nature and ensure that the City’s network hardware and software continue to be commercially supported. Maintenance includes coverage for Cisco hardware products, operating system software and next business day advanced hardware replacement. In addition, this contract provides for online and over-the-phone access to the Cisco Technical Assistance Center (TAC) 24x7x365 for all equipment and software covered, and access to online technical resources.

ALTERNATIVES: Forgoing maintenance coverage on the corporate network equipment would pose considerable risk to business operations and therefore is not recommended.

COMPETITIVE SOLICITATION: The NASPO VP Cisco AR-233 contract, State of Washington Participating Addendum 01114, Data Communications Products and Services 14-19, was established June 1, 2014 with termination on May 31, 2019. Cerium Networks is an authorized reseller under the State of Washington contract. Using the State of Washington contract, the City receives a 10% discount. Cerium Networks also provides the City with an additional 14.4% discount, for a total of 24.4% discount compared to list price.



Competitive pricing from Cerium Networks for additional hardware and software not currently available on the State of Washington Contract 01114, Data Communications Products and Services 14-19, was priced at current Cisco pricing.

CONTRACT HISTORY: New contract.

SUSTAINABILITY: To become a more sustainable organization Cerium Networks is committed to providing services in a sustainable manner and takes measures to minimize impacts to the environment in the delivery of services.

SBE/LEAP COMPLIANCE: Not applicable.

RECOMMENDATION:

The Information Technology Department recommends approval for a contract to be awarded to Cerium Networks, Spokane, WA, for \$470,894.75 not including applicable sales tax, for one-year nine-months and twenty-days of Cisco SMARTnet maintenance for City Cisco networking equipment from August 11, 2017 through May 31, 2019.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Information Systems Fund 5800	596000	5320100	\$470,894.75
TOTAL			\$470,894.75

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Information Systems Fund 5800	596000	5320100	\$470,894.75
TOTAL			\$470,894.75

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: There is no fiscal impact to the current biennial budget. Current biennial need of \$349,273.90, plus applicable sales tax is available and appropriated within Fund 5800. In the 2019-2020 biennium, \$121,620.85 will need to be appropriated for this contract that will end on May 31, 2019. The revenues are planned and budgeted within the above cost centers and elements.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? The current biennial need of \$349,273.90, plus applicable sales tax is available and appropriated within Fund 5800.