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**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

FROM: Riverside County Information Technology (RCIT)

SUBMITTAL DATE:
February 28, 2013

SUBJECT: Ratify and Approve the Sole Source Request for Annual Renewal of the Nexus IS Agreement to provide Cisco SMARTnet Maintenance for Riverside County Information Technology

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and approve the attached first amendment to the agreement with Nexus IS, Inc. to increase the contract amount from \$400,000 to \$750,000, for six additional one-year periods;
2. Authorize the Purchasing Agent, in accordance with Ordinance No 459.4, to exercise the renewal option, based on the availability of fiscal funding, and to sign amendments that do not change the substantive terms of the agreement, including amendment to the compensation provision that do not exceed the annual CPI rates; and,
3. Direct the Clerk of the Board to return three (3) original signed amendments to RCIT.

BACKGROUND: (Continued on Page 2)

Kevin K Crawford
Chief Information Officer

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 550,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	12/13

SOURCE OF FUNDS: RCIT Operating Budget	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY:
Christopher M. Hans

County Executive Office Signature

Dept't Recomm.: Consent Policy

Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 3.92 9/1/09

District: All

Agenda Number:

FORM APPROVED COUNTY COUNSEL
BY:
NEAL R. KIPNIS
DATE

Departmental Concurrence

Form 11: Ratify and Approve the Sole Source Request for Annual Renewal of the Nexus IS Agreement to provide Cisco SMARTnet Maintenance for Riverside County Information Technology

Date: February 28, 2013

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BACKGROUND: (Continued)

On December 18, 2012 (M.O. 3.47) the Board of Supervisors approved a Cisco standard for a converged network, and subsequently on January 29, 2013 (M.O. 3-31) approved a Nexus agreement for the implementation of the Converged Network Project to include voice, video, wireless and data.

As part of the Converged Network Project Nexus will provide all SMARTnet maintenance related with the purchase of new Cisco equipment. The amendment before you today is for the renewal of existing equipment that will remain in place and utilized in the Converged Network Project.

Of the requested contract amount, \$550,000 is for Cisco equipment currently managed by RCIT. The \$200,000 balance is for upcoming renewals for county departmental equipment. As departments transition into RCIT, Nexus services will accordingly transition to RCIT.

As Nexus currently provides maintenance services throughout County departments and will also provide managed services for new equipment as part of the Converged Network Project, RCIT and Purchasing recommend that Nexus continue the service through the converged network financed project lifecycle. Thereafter, a request for proposals (RFP) for the maintenance services will be conducted. Maintaining consistency with maintenance services will ensure a smooth transition to a converged network and allow RCIT to work towards a coterminous solution for SMARTnet services.

PRICE REASONABLENESS:

Nexus IS, Inc. is providing a deeper discount from 20% to 26% off list price on this SMARTnet maintenance renewal. In the last RFP, other vendors provided discounts ranging from 6.5% to 18.62% off list price; Nexus responded with a 20% discount. Nexus is now providing a 26% discount.

**COUNTY OF RIVERSIDE
AMENDMENT NO. 1 TO THE AGREEMENT
WITH
NEXUS IS, INC.**

CONTRACTOR: Nexus IS, Inc.
Contract Term: August 31, 2012 through September 1, 2013
Effective Date of Amendment: March 12, 2013
Annual Maximum Contract Amount: \$ 750,000

The Agreement between Riverside County, herein referred to as COUNTY and Nexus IS, Inc., herein referred to as CONTRACTOR, is amended as follows:


1. On page 3 of the Agreement, amend Section 2 the "Period of Performance":
To amend all reference to the Period of Performance from expiration of August 31, 2012 to a Period of Performance of September 1, 2012 through August 31, 2013, with the option to renew for six additional years, renewable in one-year increments, unless terminated as specified in Section 9 TERMINATION. All other terms of the Period of Performance in the Agreement shall apply.
2. On page 3 of the Agreement, amend Section 3.1 the "Compensation":
The COUNTY agrees to pay CONTRACTOR for services performed up to an annual amount of seven hundred fifty thousand dollars (\$750,000.00), to be paid annually, including all expenses, based on the availability of fiscal funding.
3. All other terms and conditions of the Agreement are to remain unchanged.


IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Amendment.

County
County of Riverside

Contractor
Nexus IS, Inc.

By: _____
Name: John J. Benoit
Title: Chairman, Board of Supervisors
Date: _____

By:  _____
Name: THOMAS LYON
Title: SUP MANAGED SERVICES
Date: 2-28-13

FORM APPROVED COUNTY COUNSEL
BY:  _____
NEAL R. KIPNIS DATE



Kevin K Crawford, Chief Information Officer

Memorandum

To: Mark Seiler, Asst. Purchasing Director

Date: February 27, 2013

Via: RCIT Procurement Division

From: Kevin K Crawford, Chief Information Officer

Subject: Sole Source Procurement for CISCO SMARTnet Maintenance Services through Nexus IS, Inc.

The below information is provided in support of my Department requesting approval for a sole source. Outside of a duly declared emergency, the time to develop a statement of work or specifications is not in itself justification for sole source.

- 1. Supply/Service being requested:**
Cisco SMARTnet maintenance services provided by Nexus IS, Inc. for CISCO products used in support of communication services.
- 2. Supplier being requested:**
Nexus IS, Inc.
- 3. Alternative suppliers that can or might be able to provide supply/service:**
Other county awarded Valued Added Resellers (VARs).
- 4. Extent of market search conducted:**
None as recommendation is to keep all network maintenance services through the same vendor.
- 5. Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:**
Nexus IS, Inc. currently provides CISCO SMARTnet maintenance services to RCIT for existing CISCO equipment. Nexus will also provide these services for CISCO equipment procured for the converged network project. Other VARs can provide the maintenance services but may potentially create conflicting support issues during the implementation of the converged network project.
- 6. Reasons why my department requires these unique features and what benefit will accrue to the county:**
By limiting the maintenance support services to one vendor, any issues that may occur during the converged network implementation Nexus IS will be able to address as they will be responsible for all support services. Maintaining consistency with maintenance services will ensure a smoother transition to a converged network.

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SOLE SOURCE PROCUREMENT

7. **Price Reasonableness including purchase price and any ongoing maintenance or ancillary costs from the supplier:**

Nexus IS Inc., has provided RCIT a consistent discount of 20%. Other bidders have offered discounts ranging from 6.5% to 18.62% off list price. As a result of the converged network project, Nexus will provide the county with a 26% discount off of list price.

8. **Does moving forward on this product or service further obligate the county to future similar contractual arrangements or any ongoing costs affiliated with this sole source? (Maintenance, support, or upgrades, if so, please explain)?**

RCIT is requesting to exercise renewal of the SMARTnet maintenance services with Nexus through the seven-year finance period of the converged network project. After this period, an RFP will be conducted based on the county's new converged network environment.

9. **Period of Performance:**

August 31, 2012 through September 1, 2013 with an option to renew for six additional years.



Kevin K Crawford, Chief Information Officer

28 Feb 13

Date

Purchasing Department Comments:

Approve

Approve with Condition/s

Disapprove

Not to exceed: \$ 750,000 One time Annual Amount through 8-31-2018



Mark Seiler, Asst. Purchasing Director

2-28-13

Date

13-349

Approval Number