

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

942



**FROM:** Riverside County Information Technology (RCIT)

**SUBMITTAL DATE:**  
June 13, 2013

**SUBJECT: Approval of the First Amendment to the Agreement with NEXUS IS, Inc. for a CISCO Solution to implement a voice, video, wireless and data Converged Network**

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve and execute the First Amendment to the agreement with NEXUS IS, Inc., to increase the total agreement amount by \$3,250,000 for a total of \$18,250,000;
2. Authorize the Purchasing Agent to sign any ministerial amendments, as approved by County Counsel, that do not make any substantive changes to the agreement; and,
3. Direct the Clerk of the Board to return three (3) original signed amendments and agreement to RCIT.

**BACKGROUND:** On January 29, 2013 (M.O. 3-31) the Board of Supervisors approved a \$15 million agreement with Nexus IS for a CISCO solution to implement a voice, video, wireless and data Converged Network. *(Continued on page 2)*

*Kevin K Crawford* 13 Jun 13  
 Kevin K Crawford  
 Chief Information Officer

<b>FINANCIAL DATA</b>	<b>Current F.Y. Total Cost:</b>	\$ 3 Million	<b>In Current Year Budget:</b>	Yes
	<b>Current F.Y. Net County Cost:</b>	\$ 0	<b>Budget Adjustment:</b>	No
	<b>Annual Net County Cost:</b>	\$ 0	<b>For Fiscal Year:</b>	13/14
<b>SOURCE OF FUNDS: RCIT Operating Budget</b>			<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
			<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

APPROVE

County Executive Office Signature

BY: *Christopher M. Hans*  
 Christopher M. Hans

FORM APPROVED COUNTY COUNSEL  
 BY: *Neal R. Kipnis*  
 DATE: 6/13/13  
 Purchasing: *Mark Seiler*  
 Departmental Concurrence: *Mark Seiler, Assistant Director*

Policy  
 Policy  
 Consent  
 Consent  
 Dept's Recomm.:  
 Per Exec. Ofc.:

Prev. Agn. Ref.: 3-31 1/29/2013  
 District: **5A**  
 Agenda Number: **3-31**

JUN 13 2013 10:12 AM

**Form 11: Approval of the First Amendment to the Agreement with NEXUS IS, Inc. for a CISCO Solution to implement a voice, video, wireless and data Converged Network**

**Date: June 13, 2013**  
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**BACKGROUND:**

The agreement with Nexus IS, Inc. provides for replacement of all current county phones, auto attendants, Interactive Voice Response Systems (IVR), call centers, voicemail and includes the implementation of wireless network deployed to county locations of five or more employees. The agreement also provides for enterprise licensing in support of the new phones and software/hardware support for five years.

As previously reported, the Converged Network Project (CNP) Team would begin the project implementation with a 30-day assessment/discovery to further identify required equipment or services. During the assessment, 541 sites were reviewed and additional equipment and features were identified as required to meet departmental business requirements. The following is a summary of the additional identified requirements:

91 more buildings than in the RFP	\$	910,000
Core Clean Up	\$	150,000
Department Specific Requirements	\$	700,000

During the course of reviewing network equipment end-of-life cycles the CNP team recognized that it would be beneficial to include the replacement of additional core routers as part of this project. Since RCIT and Nexus staff will be at all sites implementing equipment for the CNP, labor costs and service interruptions could be minimized with the replacement of the additional routers. Also, as the current project financing arrangement provides for zero percent financing, the balance of the routers could be purchased now and eliminate financing costs that would be incurred over the next few years. Banc of America Public Capital Corp has agreed to increase the financing to accommodate the revised project cost.

It was also identified that as the County of Riverside becomes more dependent on technology for services, the telephone instrument should be upgraded to a gigabit (Gb) phone to position us for bandwidth usage demands in the coming years. The following is a summary of the recommended strategic changes:

Upgrade to Gb Phones	\$	790,000
Replace ALL Core Routers	\$	1,500,000
New Requested Contingency	\$	750,000

As Cisco is committed to being an active partner in the success of project, they have reduced the cost of the assessment identified requirements by \$500,000 and also reduced the strategic change costs by \$500,000. This amounts to a \$1 million additional savings above discounted contract pricing.

**Form 11: Approval of the First Amendment to the Agreement with NEXUS IS, Inc. for a CISCO Solution to implement a voice, video, wireless and data Converged Network**

**Date:** June 13, 2013  
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**BACKGROUND: (Continued)**

Total Recommended Revised Project Budget:

Original Project Budget	\$ 14,200,000
91 more buildings than in the RFP	910,000
Core Clean Up	150,000
Department Specific Requirements	700,000
Upgrade to GB Phones	790,000
Replace ALL Core Routing	1,500,000
<u>New Requested Contingency</u>	<u>750,000</u>
<b>GRAND TOTAL</b>	<b>\$ 19,000,000</b>

As a result of the installation of additional core routers and addressing specific customer requirements, the CNP completion date is anticipated for August 2014. This will allow adequate time to address the needed infrastructure and customer requirements. Should any additional key project objectives change, they may impact this deliverable date.

**Communication Plan:**

RCIT has conducted multiple Cisco product demonstrations for county employees providing information on the project and displaying the new phones and video conference equipment that will be available. A website has been developed for departments to review individual phones and the features they offer, a list of frequently asked questions about the project and other project information. CNP staff has met with the majority of the departments to review their departmental business needs and project implementation. The RCIT Tech Time Newsletter also provides updates on the project status.

**Price Reasonableness:**

Purchasing on behalf of RCIT released a Request for Quotation (RFQ) # ITARC-164 to the current County Cisco awarded vendors. Purchasing received three bids from Nexus, Sigmanet, and Enpointe. Through the evaluation process, RCIT and Purchasing determined that Nexus is the lowest responsive/responsible vendor providing the deepest discounts on Enterprise Licenses (70% discount) and on the IP Phones (58 %) and implementation costs. The Nexus contract discounts will apply to the additional requested items and Cisco will provide a \$1million reduction on the Cisco equipment.

The increased budget amount was submitted and approved by the Technology Standards and Oversight Committee (TSOC) on May 1, 2013 as per Board Policy H-11.

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

**CONTRACTOR:** Nexus IS, Inc.  
Contract Term: No change  
Effective Date of Amendment: June 25, 2013  
Annual Maximum Contract Amount: \$18,250,000

The Agreement between the County of Riverside ("COUNTY") and Nexus IS, Inc. ("Nexus IS") effective January 29, 2013 is amended as follows:

1. Section 2, Payment and other Financial Terms: In Section 2(a), lines 5-6, "one fixed price of \$15 million" shall be replaced with "one fixed price of \$18,250,000". In Section 2(c), line 3, "Project not to exceed \$15,000,000.00." shall be replaced with "Project not to exceed \$18,250,000."
2. Since the 30-day assessment period has now been completed, Attachment A (Project Cost) shall be replaced with the new document titled "Attachment A (Project Cost / Amendment No. 1)" attached to this amendment.
3. Statement of Work attachment to the Agreement, Section 1.2, Solution Components: The Bill of Materials shall be deleted in its entirety (that is, the entire Section 1.2) and replaced with the new document titled "1.2 Solutions Components, Bill of Materials / Amendment No. 1" attached to this amendment.
4. All other terms and conditions of the Agreement shall remain unchanged and in effect.

AGREED:

**County**  
County of Riverside  
Purchasing and Fleet Services  
Riverside, CA 92501

**Contractor**  
Nexus IS, Inc.  
25819 Jefferson Ave., Suite 110  
Murrieta, CA 92562

By: \_\_\_\_\_  
Name: John J. Benoit  
Title: Chairman of the Board  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

FORM APPROVED COUNTY COUNSEL  
BY: Neal R. Kipnis DATE: 6/17/13

RFP#  
BOS agenda # & Date  
Form #116-311 Revision Date: 04/21/09

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Attachment A  
Project Cost / Amendment No. 1

Equipment *	\$ 12,187,800.00
Enterprise License Agreement	\$ 2,681,250.00
Cabling	\$ 750,000.00
Implementation	\$ 2,630,950.00
TOTAL	\$ 18,250,000.00

Changes to equipment in the Bill of Materials will be documented by Nexus IS and County and approved by the Purchasing Agent via the amendment process under the Purchasing Agent's authority. Implementation services may also be modified within the project scope and cost.

Applicable Nexus IS discounts provided to the County:

Bundles – Analog	60%
IP Phones (6921,6945, 7962 models only)	58%
Router Accessories	60%
Routers	60%
24 Port Analog	60%
Bundles – Call Center	60%
Network Management Software	60%
Network Switches	60%
Wireless	60%
Voice Enterprise License Agreement	70%
Other required Cisco Equipment	60%

\*Discounts above are related to the equipment listed in the RFQ

Unless otherwise stated in the Agreement, the amounts stated in this Attachment shall be full payment to Nexus IS for all services, materials, equipment, expenses or related costs for full performance pursuant to the Agreement. Any claim by Nexus IS for additional payment related to this Agreement shall be made in writing by Nexus IS within 30 days of when Nexus IS has or should have notice of any actual or claimed change in the work which results in additional and unanticipated cost to Nexus IS.

Nexus will submit monthly invoices to the County for reimbursement of equipment purchases and services for the \$ 18.25 million project. Monthly invoice will itemize all materials and labor for the project. Nexus will submit monthly invoices up to the amount of \$ 16.425 million. The County will retain 10% (\$1.825 million) of the project cost until final project acceptance by the County.

**1.2 Solutions Components**  
**Bill of Materials/Amendment No. 1**

	<b>Equipment Cost</b>	<b>Pro Services</b>	<b>Maintenance</b>	<b>Total</b>
UC - Gateway for RCRMC	\$15,790.00	\$0.00	\$0.00	\$15,790.00
UC - WIFI Phones (510)	\$162,180.00	\$0.00	\$0.00	\$162,180.00
UC - Phones with Sidecars	\$299,954.00	\$0.00	\$0.00	\$299,954.00
UC - Swap 6945 6921ratio	\$1,025,388.00	\$0.00	\$0.00	\$1,025,388.00
UC- RCRMC Local Subscriber	\$10,131.00	\$0.00	\$0.00	\$10,131.00
Router Recommended Upgrade	\$1,276,960.00	\$128,000.00	\$331,597.00	\$1,736,557.00
<b>Total</b>	<b>\$2,790,403.00</b>	<b>\$128,000.00</b>	<b>\$331,597.00</b>	<b>\$3,250,000.00</b>