



Monterey County

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

Legistar File Number: A 19-066

April 23, 2019

Introduced: 3/26/2019

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

- a. Approve and authorize the Director of the Information Technology Department or his designee to execute a non-standard Asset Purchase Agreement with Sanford Burnham Prebys Medical Discovery Institute, a non-profit corporation, to purchase a block of 1,024 internet addresses to establish a unique Laguna Seca Raceway IP address block, in an amount not to exceed \$21,030.00, inclusive of purchase price, transfer fees, and escrow fees; and
- b. Approve and authorize the Director of the Information Technology Department or his designee to execute a non-standard Brokerage Agreement with Nationwide Computer Systems Inc., doing business as IPTrading.com, to facilitate the County's purchase of the IP address block, for a brokerage fee not to exceed \$1,024.00; and
- c. Accept non-standard provisions in the Asset Purchase Agreement and Brokerage Agreement as recommended by the Director of Information Technology.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Director of the Information Technology Department or his designee to execute a non-standard Asset Purchase Agreement with Sanford Burnham Prebys Medical Discovery Institute, a non-profit corporation, to purchase a block of 1,024 internet addresses to establish a unique Laguna Seca Raceway IP address block, in an amount not to exceed \$21,030.00, inclusive of purchase price, transfer fees, and escrow fees; and
- b. Approve and authorize the Director of the Information Technology Department or his designee to execute a non-standard Brokerage Agreement with Nationwide Computer Systems Inc., doing business as IPTrading.com, to facilitate the County's purchase of the IP address block, for a brokerage fee not to exceed \$1,024.00; and
- c. Accept non-standard provisions in the Asset Purchase Agreement and Brokerage Agreement as recommended by the Director of Information Technology.

SUMMARY/DISCUSSION:

Internet Protocol (IP) address space is used as a unique "address" identifying individual networks on the internet. American Registry for Internet Numbers (ARIN), a nonprofit organization, administers IP addresses and supports internet number resources in the United States. All available IP address space managed by ARIN has been purchased. Currently, IP addresses can only be acquired by sale between the existing owner of IP address space and a purchaser, using the assistance of a broker.

At present the Laguna Seca Raceway (Laguna Seca) is not identified by its own unique internet address; to date, it has leased the internet address of its internet service provider. Enhancing the internet capacity of Laguna Seca through purchase of a block of internet addresses would modernize the Laguna Seca internet "pipe." A modernized Laguna Seca internet pipe would support the

broadcast of live track events, benefiting racing teams, Laguna Seca vendors, race sponsors, race organizations and the media. It would provide the public with contemporaneous track information and will allow fan participation, even in the absence of personal attendance. The expanded internet services would enhance the economic viability of the Laguna Seca enterprise.

A unique Laguna Seca IP address block would enhance network redundancy, enabling continuous service in the event of outage, and would avoid dependency on one service provider. To improve internet services, the internet provider currently servicing Laguna Seca must be changed. Thus, all content must be migrated from the existing Laguna Seca internet address, a laborious process. Obtaining an IP address block for a unique Laguna Seca IP address would avoid repetition of this resource-intensive effort as it would only have to occur once.

Pursuant to the proposed Asset Purchase Agreement, Monterey County would purchase a block of 1024 IP addresses from Sanford Burnham Prebys Medical Discovery Institute, a non-profit corporation, for the sales price of \$20,480.00, and would pay the ARIN transfer fee (\$300) and escrow fees (\$250). Pursuant to the proposed Brokerage Agreement, Nationwide Computer Systems Inc., doing business as IPTrading.com (IPTrading.com) would act as broker for the County's purchase of the IP address block. IPTrading.com would be compensated \$1,024.00 for performing this service.

The recommended Asset Transfer Agreement and Brokerage Agreement contain terms which are non-standard to the County but which are widely used in the transfer of internet assets.

OTHER AGENCY INVOLVEMENT:

County Counsel cannot approve the agreements due to non-standard provisions.

FINANCING:

Cost of this service in the amount of \$22,054 will be covered by Department, CAO 1050, Budget Unit 8441, Appropriations Unit CAO029 with funds derived from Laguna Seca revenue sources.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommended agreements will enable the County to provide internet access in line with modern internet services expected by Laguna Seca race fans and other participants. The recommended agreements provide the foundation for implementing technology that is necessary for Laguna Seca to remain economically viable in the digital age.

- X Economic Development
- X Administration
- Health & Human Services
- Infrastructure
- Public Safety

Prepared by: Lynnette Beardsall, Management Analyst II, 759-6938

Approved by:

_____ Date: _____
Eric A. Chatham, Director of Information Technology, 759-6920

Attachments:

Sanford Burnham Prebys Medical Discovery Institute Asset Purchase Agreement
IPTrading.com Brokerage Agreement