



County of Monterey

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

Board Report

File #: A 24-258, **Version:** 1

- a. Approve and authorize the Chief Information Officer to execute a non-standard Agreement with Cisco Systems Capital retroactively utilizing The Interlocal Purchasing System (TIPS) Cooperative Agreement, a reseller of technology goods and services, from October 1, 2023, through May 31, 2026, with a total agreement of \$1,644,605; and
- b. Authorize the Chief Information Officer, or his designee, to execute order forms and such documents as are necessary to implement the agreement with Cisco Systems Capital Corporation for system support and licensing; and
- c. Accept the non-standard contract provisions as recommended by the Chief Information Officer; and
- d. Authorize the Chief Information Officer to sign up to three (3) future one (1) year renewals or amendments to this Agreement, where the additional cost of each Amendment does not exceed 10% (\$54,821) of the average annual payment amount of \$548,202 scheduled in the original contract, bringing the maximum additional compensation to \$603,023 additional one-year term and potential overall Agreement aggregate not to exceed amount to \$3,453,674.

RECOMMENDATION:

It is recommended the Board of Supervisors:

- a. Approve and authorize the Chief Information Officer to execute a non-standard Agreement with Cisco Systems Capital retroactively utilizing The Interlocal Purchasing System (TIPS) Cooperative Agreement, a reseller of technology goods and services, from October 1, 2023, through May 31, 2026, with a total agreement of \$1,644,605; and
- b. Authorize the Chief Information Officer, or his designee, to execute order forms and such documents as are necessary to implement the agreement with Cisco Systems Capital Corporation for system support and licensing; and
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- d. Authorize the Chief Information Officer to sign up to three (3) future one (1) year renewals or amendments to this Agreement, where the additional cost of each Amendment does not exceed 10% (\$54,821) of the average annual payment amount of \$548,202 scheduled in the original contract, bringing the maximum additional compensation to \$603,023 additional one-year term and potential overall Agreement aggregate not to exceed amount to \$3,453,674.

SUMMARY:

Cisco Systems, Inc. (Cisco) supports and maintains the County's network equipment. The support services provide the Information Technology Department (ITD) with continued equipment, software updates, and access to Cisco's support system.

DISCUSSION:

Cisco develops, manufactures, and sells networking hardware, software, telecommunications equipment services, and products. The County currently standardizes on Cisco network equipment and utilizes Cisco for network support and licenses.

Cisco Systems Capital, a wholly owned subsidiary of Cisco, underwrites lease and finance transactions with customers in the public sector at a 0% interest rate.

ITD was under contract with De Lage Landen Public Finance LLC, one of Cisco's finance partners that underwrote lease and finance transactions with customers in the public sector utilizing the State of California National Association of Public Procurement Officials (NASPO) Cooperative Agreement AR233 CA PA #7-14-70-04 for Cisco support and licenses of the County's network equipment since November 24, 2020. However, this Agreement expired on November 24, 2023.

Cisco has changed its relationship with its finance partner, De Lage Landen Public Finance LLC, and the network vendor ITD used to work with does not provide a multi-year financing option. As such, ITD adopted The Interlocal Purchasing System (TIPS) Cooperative Agreement (#230105), a cooperative agreement supporting the re-seller of technology goods and services, from October 1, 2023, through May 31, 2026.

The proposed new non-standard Agreement with Cisco Systems Capital is retroactive due to the re-negotiation and securing a new cooperative agreement that supports Cisco Capital Systems multi-year financing option.

Technology Integration Group (TIG), the vendor under The Interlocal Purchasing System (TIPS) has provided the County with support and license pricing based on the TIPS Cooperative Agreement Contract #230105. Cisco Systems Capital will provide the multi-year financing option at a 0% interest rate based on TIG's competitive pricing. De Lage Landen Public Finance LLC, dba Cisco Systems Capital Corporation, serves as an agent to bill and collect on behalf of Cisco Systems Capital Corporation (pursuant to an agreement between De Lage Landen Public Finance and Cisco Systems Capital Corporation).

Procuring the multi-year Cisco support through 0% interest financing with Cisco Systems Capital will save the County approximately \$50,000 yearly. As such, the Chief Information Officer recommends the approval of this non-standard Agreement with Cisco Systems Capital Corporation, which utilizes TIG's Cooperative Agreement.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed this non-standard Amendment. Auditor-Controller reviewed the agreement and does not agree to the non-standard payment provisions.

FINANCING:

Required FY 2023-24 funds have been included in the FY 2023-24 approved budget. Future year funds will be included in each respective Recommended Budget for the Information Technology Department, ITD 1930, Appropriations Unit INF002.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Approval of the proposed Amendment will enable the County to continue to perform essential County technology functions reliably. This arrangement benefits the County's technology infrastructure and saves the County a significant amount of money by having a multi-year support arrangement.

☐ Economic Development:

☐ Administration:

☐ Health & Human Services:

☒ Infrastructure:

☐ Public Safety:

Prepared by:
Teresa Meister, Management Analyst II, 759-6938

Approved by:

Eric Chatham, Chief Information Officer, 759-6923

Attachments:
Cisco Non-Standard Lease Agreement