



County of Monterey

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

Legislation Details (With Board Report)

File #:	A 21-048	Name:	De Lage Landen Public Finance LLC Agreement
Type:	BoS Agreement	Status:	Passed - Information Technology Department
File created:	2/17/2021	In control:	Board of Supervisors
On agenda:	3/9/2021	Final action:	3/9/2021
Title:	<p>a) Approve and authorize the Director of Information Technology or his designee to execute a non-standard agreement with De Lage Landen Public Finance LLC Lease Agreement, incorporating the terms of the State of California, Department of General Services and Cisco Systems, Incorporated under the lead State of Utah WSCA-NASPO Cooperative purchasing Organization Master Price Agreement Number AR233 for data communication products and services for a three (3) year term retroactive November 24, 2020 through November 24, 2023 with an agreement total of \$1,295,579; and</p> <p>b) Accept the non-standard provisions as recommended by the Director of Information Technology; and</p> <p>c) Authorize the Director of Information Technology, or his designee, to execute order forms and such documents as are necessary to implement the agreement for the County's purchase of Cisco maintenance and support.</p> <p>d) Authorize the Director of Information Technology to sign, subject to prior County Counsel review, four (4) additional future order forms, extending the term of the agreement for one (1) additional year per order form, provided they do not change non-standard terms approved by the Board and provided any increases in cost do not exceed ten percent of the original contract amount (\$129,558) total maximum cost increase).</p>		

Sponsors:

Indexes:

Code sections:

Attachments: 1. Board Report, 2. De Lage Landen Leasing Agreement, 3. Addendum to Delage Agreement, 4. Cisco WSCA NASPO Master Agmnt, 5. Completed Board Order Item no. 25

Date	Ver.	Action By	Action	Result
3/9/2021	1	Board of Supervisors	approved - information technology department	Pass

a) Approve and authorize the Director of Information Technology or his designee to execute a non-standard agreement with De Lage Landen Public Finance LLC Lease Agreement, incorporating the terms of the State of California, Department of General Services and Cisco Systems, Incorporated under the lead State of Utah WSCA-NASPO Cooperative purchasing Organization Master Price Agreement Number AR233 for data communication products and services for a three (3) year term retroactive November 24, 2020 through November 24, 2023 with an agreement total of \$1,295,579; and

b) Accept the non-standard provisions as recommended by the Director of Information Technology; and

c) Authorize the Director of Information Technology, or his designee, to execute order forms and such documents as are necessary to implement the agreement for the County's purchase of Cisco maintenance and support.

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RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a) Approve and authorize the Director of Information Technology or his designee to execute a non-standard agreement with De Lage Landen Public Finance LLC Lease Agreement, incorporating the terms of the State of California, Department of General Services and Cisco Systems, Incorporated under the lead State of Utah WSCA-NASPO Cooperative purchasing Organization Master Price Agreement Number AR233 for data communication products and services for a three (3) year term retroactive November 24, 2020 through November 24, 2023 with an agreement total of \$1,295,579; and
- b) Accept the non-standard provisions as recommended by the Director of Information Technology; and
- c) Authorize the Director of Information Technology, or his designee, to execute order forms and such documents as are necessary to implement the agreement for the County's purchase of Cisco maintenance and support.
- d) Authorize the Director of Information Technology to sign, subject to prior County Counsel review, four (4) additional future order forms, extending the term of the agreement for one (1) additional year per order form, provided they do not change non-standard terms approved by the Board and provided any increases in cost do not exceed ten percent of the original contract amount (\$129,558) total maximum cost increase).

SUMMARY/DISCUSSION:

Cisco provides annual support and maintenance for existing data communication equipment for the County. The support services provide the Information Technology Department with equipment software updates, and access to Cisco's support system on an as-needed basis.

De Lage Landen is one of Cisco's finance partners that underwrites lease and finance transactions with customers in the public sector. ITD is seeking approval from the Board of Supervisors to specifically execute an agreement with De Lage Landen, under the NASPO cooperative agreement with Cisco. Approval to procure through the multi-year lease with De Lage Landen will save the County \$28,624.88 yearly.

The single-year renewal cost for one year of annual support and maintenance for the Cisco SmartNet Licensing would cost the County \$460,484.22, for a 2020-2021. After a competitive bidding process in 2020, County IT department (ITD) selected and negotiated a new agreement with Cisco that will give the County a discounted multi-year support renewal price of \$431,859.34 per year, totaling \$1,295,579 over three years, provided the County agrees to a three-year support plan. The multi-year lease agreement with De Lage Landen allows De Lage Landen to execute the NASPO contract with Cisco with a lump-sum payment to Cisco from De Lage Landen, while allowing County to execute a zero-interest lease with annual payments to De Lage Landen.

With the multi-year support commitment, this arrangement does not impact County ITD budget negatively; instead, it saves the County \$28,624.88 per year, or \$85,874.64 over three years above single year-to-year renewals.

ITD proposes to purchase multi-year Cisco support and maintenance services through De Lage Landen under zero-interest, multi-year financing, utilizing the State of California's adoption of a master agreement negotiated between Cisco and the State of California, Department of General Services. Cisco was chosen among several technology vendors through competitive bidding lead by the State of Utah through the National Association of State Procurement Officials (NASPO) cooperative Agreement AR233. In the master agreement, Cisco agrees to provide government entities with discounted prices for various technologies on terms which are non-standard to the County, but which are more favorable to government entities than many technology agreements.

The Director of Technology recommends that the Board approve County use of De Lage Landen, as the financier for the multi-year Cisco NASPO master agreement, an associated exhibit for this purchase.

This agreement is a three-year zero-interest lease agreement, between County and De Lage Landen Public

Finance LLC to amortize the payment for the purchase of three-year Cisco support renewal over three years.

OTHER AGENCY INVOLVEMENT:

County Counsel does not approve non-standard agreement provisions.

FINANCING:

First year funds in the amount of \$431,859.34 have been included in the FY 20-21 Adopted Budget for the Information Technology Department, ITD 1930, Budget Unit 8436, Appropriations Unit INF002. Transactions related to future fiscal years will be included in each respective fiscal year's Recommended Budget.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

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

☐ Economic Development
☐ Administration
☐ Health & Human Services
☒ Infrastructure
☐ Public Safety

Prepared by: Sandra Shaffer, Management Analyst III, 759-56957

Approved by:

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

Attachments:

De Lage Landen Public Finance LLC Lease Agreement
Addendum to Delage Agreement
Cisco WSCA-NASPO Master Agreement

Attachments on file with the Clerk of the Board