



## Legislation Text

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**File #:** 2018-0091, **Version:** 1

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**DATE:** May 8, 2018

**SUBJECT:**

**RESOLUTION AUTHORIZING A FIVE YEAR TOTAL COST OF OWNERSHIP OF \$208,042 FOR ENTERPRISE BACKUP AND DISASTER RECOVERY SYSTEM PURSUANT TO BOARD POLICY NO.110 SECTIONS III.E AND III.F. FUNDS REQUIRED FOR FUTURE FISCAL YEARS WILL BE BUDGETED IN THE APPROPRIATE FISCAL YEAR, SUBJECT TO BOARD APPROVAL UPON ADOPTION OF EACH FISCAL YEAR'S BUDGET**

**EXECUTIVE SUMMARY:**

The District implemented a Backup and Disaster Recovery system (Backup System) manufactured by SEP Software Corporation in August of 2011. This system is used to create a duplicate copy of data to safeguard it and enable recovery in the event it is lost, corrupted, or infected by malware.

A well-maintained Backup System is critical to data integrity and ensures there is a consistent and reliable method for recovering data. The SEP Software Corporation product used at the District is proprietary and no third-party is authorized to develop modifications, bug fixes, or new releases. SEP Software Corporation sells its products directly.

The five-year total cost of ownership of the Backup System is estimated at \$208,042; therefore, Staff is requesting sole source approval to continue these annual services for the life of the Backup System with annual costs not to exceed 10% more than previous year costs.

**RECOMMENDATION:**

Adopt a Resolution authorizing a five year total cost of ownership of \$208,042 for Enterprise Backup and Disaster Recovery System.

**FISCAL IMPACT:**

Funds for the first year of this expenditure are budgeted for in the FY 17/18 Technology Management Program Equipment & Systems account. Funds required for future fiscal years will be budgeted for in the appropriate cost account subject to Board approval upon adoption of each fiscal year's budget.

<u>Cash Requirement Forecast</u>	<u>FY 18/19</u>	<u>FY 19/20</u>	<u>FY 20/21</u>	<u>FY 21/22</u>	<u>FY22/23</u>
Equipment & Systems	<u>\$ 39,179</u>	<u>\$ 39,179</u>	<u>\$ 39,179</u>	<u>\$ 43,097</u>	<u>\$ 47,406</u>
	<u>\$ 208,042</u>	<b>Total Cash Requirement</b>			

## **COMPASS STRATEGIC GOALS:**

This agenda item supports the following Strategic Goal(s).

- A Port that the public understands and trusts.
- A thriving and modern maritime seaport.
- A financially sustainable Port that drives job creation and regional economic vitality.

## **DISCUSSION:**

The District implemented a Backup and Disaster Recovery system (Backup System) manufactured by SEP Software Corporation in August of 2011. This system is used to create a duplicate copy of data to safeguard it and enable recovery in the event it is lost, corrupted or infected by malware. By delivering a centralized backup solution and implementing the deduplication technology included with the SEP Software Corporation product, the District has been able to significantly reduce the amount of data traffic from backups and reduce the amount of bandwidth leveraged for these services.

A well-maintained Backup System is critical to the District's data integrity and to ensure there is a consistent and reliable method for recovering data. The SEP Software Corporation product used at the District is proprietary and no third-party is authorized to develop modifications, bug fixes, or new releases. SEP Software Corporation sells its products directly. A sole source justification is attached as Attachment A.

The five-year total cost of ownership of the Backup System is estimated at \$208,042; therefore, Staff is requesting sole source approval to continue these annual services for the life of the Backup System with annual costs not to exceed 10% more than previous year costs.

Total cost of ownership through July 15, 2023 is detailed below.

<b>Year</b>	<b>1</b> 2018-19	<b>2</b> 2019-20	<b>3</b> 2020-21	<b>4</b> 2021-22	<b>5</b> 2022-23	<b>Total</b>
<b>Amount</b>	<b>\$ 39,179.10</b>	<b>\$ 39,179.10</b>	<b>\$ 39,179.10</b>	<b>\$ 43,097.01</b>	<b>\$ 47,406.71</b>	<b>\$ 208,042</b>

SEP Software Corporation support, offered 24 hours a day, seven days a week includes direct access to SEP product experts, case management, online customer support, access to a library of documentation and FAQs, feature releases, and software updates.

### **General Counsel's Comments:**

The Office of the General Counsel has reviewed the issues set forth in this agenda and found no legal concerns as presented and has reviewed the sole source justification for compliance with Board of Port Commissioners BPC Policy No. 110.

### **Environmental Review:**

The Board direction or action, including without limitation, approving funds for the cost of ownership and procurement of annual licensing and maintenance renewal of the District's existing enterprise backup and disaster recovery system, does not constitute an "approval" or a "project" under the definitions set forth in California Environmental Quality Act (CEQA) Guidelines Sections 15352 and 15378 because no direct or indirect changes to the physical environment would occur. CEQA requires that the District adequately assess the environmental impacts of projects and reasonably foreseeable activities that may result from projects prior to the approval of the same. Any project developed as a result of Board's action or direction that requires the District or the Board's discretionary approval resulting in a physical change to the environment will be analyzed in accordance with CEQA prior to such approval. CEQA review may result in the District, in its sole and absolute discretion, requiring implementation of mitigation measures, adopting an alternative, including without limitation, a "no project alternative" or adopting a Statement of Overriding Consideration, if required. The current Board direction in no way limits the exercise of this discretion. Therefore, no further CEQA review is required.

In addition, the proposed Board action complies with Section 81 of the Port Act which allows for the use of funds for necessary expenses of conducting the District. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board action is consistent with the Public Trust Doctrine.

The proposed Board direction or action does not allow for "development," as defined in Section 30106 of the California Coastal Act, or "new development," pursuant to Section 1.a. of the District's Coastal Development Permit (CDP) Regulations because they will not result in, without limitation, a physical change, change in use or increase the intensity of uses. Therefore, issuance of a Coastal Development Permit or exclusion is not required. However, development within the District requires processing under the District's CDP Regulations. Future development, as defined in Section 30106 of the Coastal Act, will remain subject to its own independent review pursuant to the District's certified CDP Regulations, PMP, and Chapters 3 and 8 of the Coastal Act. The Board's direction or action in no way limits the exercise of the District's discretion under the District's CDP Regulations. Therefore, issuance of a CDP or exclusion is not required at this time.

### **Equal Opportunity Program:**

Not applicable.

### **PREPARED BY:**

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Attachment(s):

Attachment A:      Sole Source Justification Memo