



Legislation Text

File #: 2018-0115, **Version:** 1

DATE: May 8, 2018

SUBJECT:

RESOLUTION AUTHORIZING A FIVE (5) YEAR TOTAL COST OF OWNERSHIP OF \$1,620,000 FOR INFORMATION TECHNOLOGY EQUIPMENT OUTLAY AND SOFTWARE MAINTENANCE PURSUANT TO BOARD OF PORT COMMISSIONERS POLICY NO. 110 SECTION III.F. FY 2018 EXPENDITURES ARE BUDGETED. ALL FUNDS REQUIRED FOR FUTURE FISCAL YEARS WILL BE BUDGETED IN THE APPROPRIATE FISCAL YEAR SUBJECT TO BOARD APPROVAL UPON THE ADOPTION OF EACH FISCAL YEARS' BUDGET

EXECUTIVE SUMMARY:

The District's network delivers voice, data and video traffic throughout the District and is vital to day-to-day operations. Services delivered by the network include telephone and / or video calls and access to District applications and digitally stored historical documents. When a call is made, a badge is swiped at a door, or a document is opened, this equipment is used. The District's voice and data network connectivity system is standardized on Cisco technology.

As technology advances, Cisco retires network devices, licensing and support. Retired technology is not supported and therefore introduces risk to network availability, performance, and security. Cisco has defined a five year end-of-life cycle for network software and hardware identified for retirement. Approximately 80 percent of District network devices in current use must be replaced to ensure they are eligible for Cisco maintenance and support.

To ensure continued support of the Cisco voice and data connectivity system, Staff recommends the Board authorize a five year total cost of ownership of \$1,600,000 for replacement equipment, software, and necessary support. Additionally, with this approval, the Board also authorizes the Executive Director, in her discretion, to continue replacement for end-of-life Cisco components of the voice and data connectivity system for the life of the system, consistent with Board Policy No. 110 section III.F.

RECOMMENDATION:

Adopt a Resolution authorizing a five (5) year total cost of ownership of \$1,620,000 for equipment outlay and software maintenance for the District's voice and data connectivity system.

FISCAL IMPACT:

Funds for the current year of expenditure, if needed, are budgeted for in the FY 2018 IT Equipment Outlay Budget. Funds required for future fiscal years will be budgeted for in the appropriate fiscal

years and cost account, subject to Board approval upon adoption of each fiscal year's budget.

Five Year TCO Forecast	FY 17/18	FY 18/19	FY19/20	FY 20/21	FY21/22
Equipment Outlay	\$ 425,000.00	\$ 75,000.00	\$ 450,000.00	\$ 75,000.00	\$ 75,000.00
Software Maintenance	\$ 20,000.00	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00
Total by Fiscal Year	\$ 445,000.00	\$ 200,000.00	\$ 575,000.00	\$ 200,000.00	\$ 200,000.00
	\$ 1,620,000.00	Total Cost of Ownership			

DISCUSSION:

The District relies on Cisco technology for its voice and data network. A healthy network is vital for Port business as well as citizen safety. As technology advances, Cisco retires the older technology. Retired technology is not supported.

Cisco uses a five year end-of-life cycle for network software and hardware. Once equipment finishes its end-of-life cycle date, Cisco will no longer provide any hardware, software or engineering support. Currently, approximately 80 percent of our network devices must be replaced to ensure they remain under Cisco maintenance and support. The District's Information Technology Department will replace the obsolete equipment in four phases. Each phase will replace approximately 25 percent of the obsolete installed equipment. Each phase will require approximately 12 months.

The objectives of each replacement phase are detailed below.

- Phase one (FY 17/18) will concentrate on end-of-life equipment in critical areas of the network. Approximately 40 percent of the installed network equipment is included in this phase.
- Phase two (FY 18/19) will concentrate on the next critical group of switches. Approximately 20 percent of the installed network equipment is included in this phase.
- Phase three (FY 19/20) will replace the two network core switches.
- Phase four and five (FY 20/21 and FY 21/22) will replace the remaining network equipment. Each year will concentrate on approximately 20 percent of the installed network equipment.

The District has identified the Cisco Catalyst 9300 product line of switches as the replacement for the aging install base. A single model of switch simplifies maintenance, monitoring, documentation, configuration and repair of the network. Because the Catalyst 9300 line of switches is Cisco's newest switch product line, the District is assured that the network will have many years of hardware, software, and engineering support. Additionally, the District has identified the "Western States Contracting Alliance - National Association of State Procurement Officers (WSCA-NASPO) Master Price Agreement No. AR205, "Data Communications Products and Services" Addendum Number 17-14-70-04 cooperative agreement to leverage for purchase of the necessary components.

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.

Environmental Review:

The Board action, including without limitation, the purchase of network equipment, software entitlement, and support 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 action in no way limits the exercise of this discretion. Therefore, no further CEQA review is required.

In addition, the proposed Board action allows for the District to implement its obligations under Sections 81 and 83 of the Port Act, which authorize the use funds for necessary expenses of conducting the District and for the acquisition and maintenance of appliances. 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.

Finally, the proposed Board 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 it will not result in, without limitation, a physical change, change in use or increase the intensity of uses. Therefore, issuance of a CDP 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 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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