

Memo

**Date:** April 22, 2020

**To:** Board of Directors

From: Doug Kelsey

Subject: RESOLUTION NO. 20-04-21 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING MODIFICATION AND EXTENSION OF A CONTRACT WITH CVE TECHNOLOGIES GROUP, INC. FOR IT NETWORK HARDWARE, SOFTWARE AND ENGINEERING SERVICES

### 1. Purpose of Item

This Resolution requests that the TriMet Board of Directors (Board) authorize the General Manager or his designee to execute a modification and extension of a contract (Modification) with CVE Technologies, Inc. (CVE) for Information Technology (IT) network hardware, software and engineering services.

### 2. Type of Agenda Item

- Initial Contract
- Contract Modification and Extension
- Other\_\_\_\_\_

# 3. <u>Type of Contract Procurement</u>

- Low Bid / Invitation to Bid (ITB)
- Request for Proposals (RFP) (inc. CM/GC)
- Request for Qualifications (RFQ) (Personal Services)
- Other (inc. sole source): Direct contract under State Price Agreement

# 4. Reason for Board Action

Board approval is required for goods and services contracts obligating TriMet to pay in excess of \$1,000,000. The requested Modification and extension will exceed the Board's previously authorized contract amount.

# 5. <u>Type of Action</u>:

- Resolution
- Ordinance 1<sup>st</sup> Reading
- Ordinance 2<sup>nd</sup> Reading

Other \_\_\_\_\_

# 6. Background

TriMet pays the State of Oregon an annual fee to be able to utilize State Price Agreements, which leverage demand from all state and local agencies in order to secure the best possible pricing based on volume. CVE is a preferred partner of Cisco Systems on the State Price Agreement, which allows TriMet to contract with CVE directly. CVE was originally brought in to work with other consultants and TriMet staff to address network issues and assist in the re-design of TriMet's network to ensure increased reliability and redundancy.

In January 2018, the Board approved Resolution 18-01-06, authorizing the modification of a contract with CVE for network hardware, software and engineering services to the amount of \$6,105,000. The current CVE contract will end at the close of this Fiscal Year (June 30, 2020). This Modification would increase the total amount of the contract by \$10,850,000, for a new authorized amount of \$16,955,000, over the expected three-year term of the contract.

An ongoing contract with CVE remains necessary to continue TriMet's efforts to refine and improve its network, purchase regularly updated hardware, software and new equipment, and for engineering services. This Modification adds funds and extends the term of the contract an additional three years to support CVE's work. The majority of this work is related to network equipment on State of Good Repair schedules.

The various projects and their anticipated budgets over the next three years are described below:

	FY20/21		FY22		FY23	
Data Comm Replacement Budget	\$	1,289,500	\$	1,057,900	\$	712,800
Communications Environment Replacement Budget	\$	429,000	\$	250,000	\$	300,000
Physical Infrastructure (UPS's)	\$	250,000	\$	550,000	\$	550,000
Other Agency Capital Projects requests	\$	815,000	\$	800,000	\$	800,000
Cisco SmartNet support renewals (hardware & voice)	\$	400,000	\$	440,000	\$	484,000
Other support agreements (PaloAlto, PAN, DNA etc.)	\$	288,400	\$	302,820	\$	317,961
Apcon support renewals	\$	30,000	\$	35,000	\$	40,000
WebEx Teams support renewal	\$	38,000	\$	40,000	\$	42,000
Professional Consulting Services	\$	200,000	\$	200,000	\$	200,000
Total	\$	3,739,900	\$	3,675,720	\$	3,446,761

Approximately \$350,000 of the amount budgeted for FY20/21 will be used throughout the remaining months of FY20. \$85,000 of this amount is dedicated to existing Engineering and Construction projects.

### 7. <u>Procurement Process</u>

This procurement was done as a piggyback off of the State of Oregon Price Agreement #4723 with Cisco Systems, pursuant to ORS 279A.215, Permissive Cooperative Procurements.

### 8. Diversity

CVE self-performs all of the Services under the Contract. Its workforce diversity statistics are as follows:

Total # of Employees	% Minorities	% Women
1,179	21%	5%

# 9. <u>Financial/Budget Impact</u>

The requested Modification would increase the contract amount by \$10,850,000, for a new total amount of \$16,955,000. These funds are included within the IT division's current FY 2021 capital and operating budget, and also reflects an estimate of additional amounts that is likely to be needed for other Agency projects over the next three years.

#### 10. Impact if Not Approved

If this Resolution is not approved, TriMet would need to issue a Request for Proposals for these goods and services. This is not recommended because the pricing and terms and conditions of the State Price Agreement are better than what TriMet could expect to obtain on the open market based on its own requirements. CVE is well-qualified for this work and has performed well under the current contract. TriMet staff strongly recommends this contract Modification.

#### **RESOLUTION NO. 20-04-21**

### RESOLUTION NO. 20-04-21 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING MODIFICATION AND EXTENSION OF A CONTRACT WITH CVE TECHNOLOGIES GROUP, INC. FOR IT NETWORK HARDWARE, SOFTWARE AND ENGINEERING SERVICES

**WHEREAS,** TriMet has authority under ORS 267.200 to enter into a contract Modification with CVE Technologies Group, Inc. (CVE) for IT network hardware, software and engineering services; and

**WHEREAS**, the contract Modification will increase the total amount of the current contract by more than \$1,000,000; and

**WHEREAS,** by Resolution dated October 25, 2017, the TriMet Board of Directors (Board) adopted a Statement of Policies requiring the Board to approve goods and services contracts obligating TriMet to pay in excess of \$1,000,000;

### NOW, THEREFORE, BE IT RESOLVED:

- 1. That the Modification shall conform with applicable law.
- 2. That the General Manager or his designee is authorized to execute the Modification in an amount not to exceed \$10,850,000, over the three-year contract term.

Dated: April 22, 2020

Presiding Officer

Attest:

Recording Secretary

Approved as to Legal Sufficiency:

Gregory E. Skillman

Legal Department