



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Mital, Schlossberg, Helgeson, Brown and Carlson
FROM: Travis Knabe, Information Services Manager; and Rod Price, Interim Chief
Information Officer; and Sarah Gorseger, Purchasing Supervisor
DATE: March 27, 2020
SUBJECT: Core Technology Products Procurement through Cooperative Contracts
OBJECTIVE: Approval of Board Consent

Issue

EWEB requires hardware and software purchases to replace and maintain its applications, hardware, and data. Purchases include, but are not limited to, applications, servers, switches, routers, firewalls, storage systems, and security appliances. This equipment and software support the core infrastructure of all of EWEB's customer service and operations network systems.

Background

Many of EWEB's existing systems are at the end of their useful life, which for technology systems is in the 5-7 year range. In addition, our current capital planning includes upgrades and replacements for a number of systems that will be at end of life during the next 5 years. EWEB's prior system purchases include Cisco, F5 Network, Palo Alto, and NetApp equipment and solutions and included system design and maintenance support. The replacement, integration and support services that are compatible with existing network systems is desired to reduce costs and to simplify operations and maintenance.

Discussion

When strategizing for the procurement for replacement and support of these systems, purchases could be completed by:

- Competitive process that could lead to stand alone systems or significant overhaul of systems including additional integrations, spare parts, training, and implementation,
- a Sole Source determination to allow purchases from a specific manufacturer when EWEB has standardized on a solution, or
- Procured through cooperative contracts, allowing flexibility to procure a variety of options that best meet EWEB requirements at competitive rates.

This backgrounder focused on the cooperative contracts option, which will yield lower pricing and include integration and maintenance support for the majority of our network systems. The following contracts have been competitively solicited, awarded, and are managed through national or state cooperative contract organizations:

- National Association of State Procurement Officials (NASPO) AR233: Cisco purchases
- NASPO AR233: F5 Networks purchases
- NASPO AR626: Palo Alto purchases
- NASPO MNWNC-12: NetApp purchases
- State of Oregon PA-5603: with CDW-G for purchase of hardware from multiple manufacturers
- Omnia Partners 2018011-01: with CDW-G for purchases from multiple manufacturers
- Sourcewell 081419-CDW-G: with CDW-G for purchases from multiple manufacturers

The first 4 contracts are with providers of hardware, software, and support services. The fulfillment of the services are provided through a Value Added Reseller (VAR). EWEB has consulted with product providers to help determine the VARs with the expertise and familiarity with systems similar to EWEB. After evaluating multiple VARs, CVE Technologies and Presidio have been identified as two Valued Added Resellers (VARs) in Oregon who can best provide the technical guidance and support across EWEB's technology landscape. The VARs selected may change based on the technical requirements, assigned resources, and added value offered to EWEB.

The contracts available through CDW-G allow EWEB to purchase a variety of solutions and hardware from multiple manufacturers. They offer access to a variety of solutions at competitive rates. Their business model offers access to a variety of solutions including Commercial-off-The-Shelf (COTS) to fully customizable solutions, including help with deployment and ongoing management. EWEB has a wide variety of technological solutions, some solutions require very specific functionality based on business processes. This reseller allows access to a variety of solutions that are otherwise challenging to be procured under competitive processes. Board approval with this consent item will allow Staff to work with the VARs to procure equipment in an ongoing basis, with any large purchase items brought to Board for approval in the normal process.

Significant solutions such as EWEB's customer information system, asset management, and financial systems, where there are many solutions available, will continue to be procured through traditional approaches.

The expected spend includes capital investments for replacement and enhancement to the core infrastructure, as well as O&M to maintain support of existing investments. Funds for the purchases are in the 10-year capital plan and the 2020 O&M budget, and plan to be budgeted annually through the five year term.

Below are details of the expected spend based on previous historical experience for the planned replacements and Support and Maintenance over the 2020-2024 year period.

Expected 5-Year Expenses

Replacements

Corporate and EMCS Firewalls	\$800,000
Virtual Server Clusters	\$750,000
SAN (Storage Systems)	\$700,000
Metro-E	\$3,000,000

Backup Infrastructure	\$300,000
Wireless	\$150,000
Support and Maintenance	
SmartNet (Cisco Support and Maintenance)	\$2,500,000
NetApp Support	\$500,000
F5 Support	\$225,000
PA Support	\$160,000
VMWare Support	\$150,000
CommVault Support	\$125,000
Business Continuity	
Hayden Bridge Warm Site	\$4,000,000
Total: \$13,360,000	

Below are the amounts included in the first 5 years of the combined Water and Electric Capital Improvement Plan for IT/IS Capital Budgets (in million). Type 1 are projects under \$1 million and funded with rates, Type 2 are projects over \$1 million and can be funded with rates, customer contributions or bond funds. Support and Maintenance costs are budgeted in the Operations and Maintenance Budgets, which is \$2.7 million for 2020.

Capital Improvement Plan Budgets	2020	2021	2022	2023	2024
Type 1	\$1.8	\$1.6	\$1.0	\$1.5	\$1.0
Type 2	\$4.3	\$2.8	\$4.0	\$3.5	\$3.2
Combined 1 and 2	\$6.1	\$5.0	\$5.0	\$5.0	\$4.3

Recommendation

Management recommends approval of purchases from CVE Technologies, Presidio, and CDW-G through cooperative contracts to procure and license our core technology products for the next five years. Yearly spending can be monitored and controlled through the 10 year CIP and yearly budget approval process.

Requested Board Action

The Board is being asked to authorize the use of multiple cooperative contracts for the purchase of hardware, software, and support of EWEB's core information technology systems.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to authorize the use of up to seven (7) cooperative contracts to purchase **hardware, software, and support** from **CVE Technologies, Presidio, and CDW-G**.

Board Meeting Date: April 7, 2020

Project Name/Contract#: Core Technology Products through Cooperative Agreements with
Various Value Added Resellers (VARs)

Primary Contact: Travis Knabe Ext. 7770

Expected Spend: \$15,000,000 over 5 years

Narrative:

EWEB requires hardware and software purchases to replace and maintain its applications, hardware, and data. Purchases include, but are not limited to, applications, servers, switches, routers, firewalls, storage systems, and security appliances. Many of our existing systems are at the end of their useful life, which for technology systems is in the 5-7 year range. EWEB systems include Cisco, F5 Network, Palo Alto, and NetApp equipment and solutions. The replacement of equipment that is compatible with existing systems is desired for leveraging existing resources. Significant solutions such as EWEB's customer information system, asset management, and financial systems, where there are many solutions available, will continue to be procured through traditional approaches.

The Board is being asked to authorize the use of multiple cooperative contracts for the purchase of hardware, software, and support of EWEB's core information technology systems. The following contracts have been competitively solicited, awarded, and are managed through national or state cooperative contract organizations:

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ACTION REQUESTED:

Management requests the Board authorize the use of cooperative contracts for Cisco, NetApp, F5 Networks, and Palo Alto and services from **CVE Technologies, Presidio, and CDW-G** for five years. Approximately \$2.5 million was planned for these goods and services in the 2020 Information Services budgets. The 2020 O&M Budget for Information Services is \$11.1 million and the 2020 capital budget is \$6.1 million. Variances will be managed within the budget process and Board policy.