



ADMINISTRATION COMMITTEE

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Agenda Report

File #: 2023-3068

Agenda Date: 7/12/2023

Agenda Item No: 3.

FROM: Robert Thompson, General Manager
Originator: Wally Ritchie, Director of Finance

SUBJECT:

RENEW VMWARE ENTERPRISE LICENSE AGREEMENT

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Purchase Order to Nth Generation for the purchase of the VMWare Enterprise License Agreement (ELA) Subscription Upgrade and Renewal for a three (3) year term using the NASPO ValuePoint Master Agreement No. AR2472, California Contract # 7-17-70-40-05, for a total amount not to exceed \$574,585 plus applicable sales tax; and
- B. Approve a contingency in the amount of \$57,458 (10%).

BACKGROUND

Orange County Sanitation District's (OC San) current VMWare ELA is ending in August 2023. VMWare is used at OC San for server and desktop virtualization in the Office and Industrial Control Systems computing environments. Virtualization is technology used to create a virtual presentation of servers, storage, networks, and other physical machines. OC San relies on server virtualization technologies to maximize server resources, and application and data availability. It provides high availability and resiliency, increases efficiency, and reduces expenses.

RELEVANT STANDARDS

- Protect OC San assets
- Ensure the public's money is wisely spent
- 24/7/365 treatment plant reliability
- Maintain a culture of improving efficiency to reduce the cost to provide the current service level or standard

PROBLEM

The current VMWare ELA expires in August 2023. A lapse in coverage could potentially impact OC San's computing environments.

PROPOSED SOLUTION

Renew the VMWare Enterprise License Agreement.

TIMING CONCERNS

VMWare ELA renewal is imperative for the continued support and safety of plant operations.

RAMIFICATIONS OF NOT TAKING ACTION

A decision not to renew OC San’s VMWare ELA means the solution would no longer be supported and OC San would be unable to apply security patches or use VMWare products legally.

PRIOR COMMITTEE/BOARD ACTIONS

July 2018 - Authorized a Purchase Order Contract with Nth Generation Computing for VMware Licenses and Support, Specification Number S-2018-954BD-R, for a five-year contract with a total amount not to exceed \$595,272; and approved a contingency of \$59,527 (10%).

ADDITIONAL INFORMATION

OC San solicited pricing from four (4) cooperative contracts and received three (3) responses. The first response was from Nth Generation via NASPO ValuePoint Master Agreement No. AR2472, California Contract # 7-17-70-40-05 for \$574,584.96. The second response was from Insight Public Sector via the Omnia Partners cooperative contract for \$601,744.57, and the third response was from Carahsoft via NASPO Cloud Solutions - CA: 7-17-70 cooperative contract for \$640,709.48. The list price for the VMware subscription is \$1,120,822.

The following is a list of the firms that submitted a bid:

Company Name	Pricing
Nth Generation	\$574,584.96
Insight	\$601,744.57
Carahsoft	\$640,709.48

Staff evaluated the prices and recommends approving the Purchase Order to Nth Generation. The term of this Purchase Order will be upon the effective date of the Notice to Proceed. OC San is utilizing NASPO ValuePoint Master Agreement No. AR2471, California Contract # 7-17-70-40-05 with Nth Generation under Ordinance No. OC SAN-56, Section 2.03(B), Cooperative Purchases.

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of the OC San's Purchasing Ordinance. This item has been budgeted (FY2022-23 & 2023-24 Budget).

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

N/A