



ADMINISTRATION COMMITTEE

Agenda Report

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File #: 2026-5017

Agenda Date: 7/22/2026

Agenda Item No: 12.

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

SUBJECT:

RENEW VMWARE SOFTWARE ENTERPRISE LICENSE AGREEMENT, SPECIFICATION NO. S-2026-732BD

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

- A. Approve a Purchase Order Contract to Nth Generation Computing, Inc. for the purchase of the VMware Software Enterprise License Agreement (ELA) Subscription, Specification No. S-2026-732BD, for a five (5)-year term, with a total amount not to exceed \$3,565,600 plus applicable sales tax; and
- B. Approve a contingency in the amount of \$356,560 (10%).

BACKGROUND

Orange County Sanitation District's (OC San) current VMware Enterprise License Agreement (ELA) is ending in August 2026. VMware is used at OC San for server and desktop virtualization in both Office and Industrial Control System computing environments. Virtualization is a technology that creates virtual representations of servers, storage, networks, and other physical machines. It provides high availability and resiliency, increases efficiency, and reduces expenses.

This purchase order contract represents a significant increase in cost over the prior period. The VMware product was purchased by Broadcom which packaged the product differently and raised the price for the more complete product offering. The competitors in this product space matched this product packaging strategy. In response OC San has chosen VMware for both virtualization and related storage management as it is still the most cost-effective solution.

RELEVANT STANDARDS

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

PROBLEM

The current VMware ELA expires in August 2026. A lapse in coverage could impact OC San's production computing environment.

PROPOSED SOLUTION

Renew the VMware Enterprise License Agreement Subscription.

TIMING CONCERNS

Renewal of VMware ELA is imperative for the continued uninterrupted support and safety of plant operations.

RAMIFICATIONS OF NOT TAKING ACTION

A decision not to renew the VMware ELA means the solution would no longer be supported, security patches could not be applied, and VMware products could not be used legally.

PRIOR COMMITTEE/BOARD ACTIONS

July 2023 - Approved a Purchase Order to Nth Generation Computing, Inc. 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 Approved a contingency in the amount of \$57,458 (10%).

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

ADDITIONAL INFORMATION

An invitation for bids was issued on May 7, 2026, via OpenGov. Bids were due on June 1, 2026. OC San received three (3) bids, which are valid for 180 calendar days from the bid opening date.

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

Company Name	Bid	Determination
Nth Generation Computing, Inc.	\$3,565,600	Responsive / Responsible
Saitech Inc	\$3,570,995	Responsive / Responsible
ePlus Technology	\$3,624,279	Responsive / Responsible

Based on these results, staff recommends awarding the Purchase Order Contract to Nth Generation Computing, Inc. The term of this Purchase Order Contract will begin upon the effective date of Notice to Proceed.

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted (FY 2026-27 & 2027-28 Budget, Section 6, Page 24, Repairs & Maintenance) and the budget is sufficient for the recommended action.

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