



DATE: November 19, 2021  
TO: Angela Calvillo, Clerk of the Board  
FROM: Sailaja Kurella, Acting Director of Office of Contract Administration (OCA) and Purchaser  
SUBJECT: Resolution to approve Term Contract 91115 –Networking Equipment, Software and Hardware/Software Support

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Enclosed is the resolution authorizing execution of Term Contract 91115 consisting of:

- (1) Contract 1000023748 with Intervision Systems LLC for the purchase of networking equipment, software and hardware/software support manufactured by Juniper Networks Inc. (Juniper), with a contract not-to-exceed (NTE) amount of \$40 million and a total contract duration of five years;
- (2) Contract 1000023749 with Softnet Solutions LLC for the purchase of networking equipment, software and hardware/software support manufactured by Hewlett Packard Enterprise (HPE) Company, with a contract not-to-exceed (NTE) amount of \$10 million and a total contract duration of five years; and

These two contracts are being awarded pursuant to a solicitation conducted on September 20, 2021 by the Office of Contract Administration (OCA) for the purchase of networking equipment, software and hardware/software support manufactured by three manufacturers: Juniper, HPE and Aruba. The solicitation resulted in the award of three contracts, one for each manufacturer, two of which exceed \$10,000,000. The contracts are limited solely to hardware, software and standard software/hardware support. They do not include professional services or technical services beyond standard support. The NTE amount for each contract is based on City's projected total five-year spend from each manufacturer based on prior spend rates and upcoming projects.

Each contract offers each manufacturer's full range of product offerings at significant cost savings to City departments by providing catalogue discounts off the company's extensive inventory. Depending on the total volume being purchased at the time of any transaction, City will be able to negotiate deeper discounts than these minimum discounts. The Minimum Discounts offered for each manufacturer are set forth in Exhibit 1.

Approval of these contracts is justified for several reasons, which are summarized below:

- (1) **Essential Hardware, Software and Support:** These contracts are critical for satisfying City departments' needs for essential networking equipment, software and hardware/software support.
- (2) **Competition:** The City currently has a contract with ConvergeOne Holdings Corp. for the purchase of networking equipment, software and hardware/software support manufactured by Cisco Systems Inc. in the amount of \$65,000,000. By entering into additional contracts for networking equipment, software and hardware/software support manufactured by Juniper, HPE and Aruba, City will ensure adequate competition between all major manufacturers of networking equipment. Greater competition, in turn, will ensure City is able to obtain more competitive pricing when purchasing products offered by all four manufacturers.
- (3) **Consistent City Terms and Conditions:** The contract terms and conditions of each contract reflects the same terms and conditions agreed to by ConvergeOne Holdings Corp. for the purchase of networking



equipment, software and hardware/software support manufactured by Cisco Systems Inc. Through this process, therefore, City shall ensure all network equipment purchased by City will be subject to the same City terms and conditions, regardless of the manufacturer and reseller.

- (4) **Increased Efficiencies and Improved Reporting:** Approval of this resolution will allow City departments to procure such goods in a streamlined, cost-efficient manner that ensures competitive pricing. In fact, by purchasing each manufacturer through a single value added reseller for that manufacturer, City will be able to better track, analyze and report its purchases, something it cannot do right now because these purchases are made through multiple resellers on an ad hoc basis.

If you have any questions or require additional information, please contact Gloria Yuen on my team at 415-554-6258.

**Enclosures:**

1. Contract 1000023748 (Intervision Systems LLC)
2. Contract 1000023749 (Softnet Solutions LLC)
3. SFETH Form 126(f)2 - Contract 1000023748 (Intervision Systems LLC)
4. SFETH Form 126(f)2 - Contract 1000023749 (Softnet Solutions LLC)
5. SFETH Form 126(f)4 - Contract 1000023748 (Intervision Systems LLC)
6. SFETH Form 126(f)4 - Contract 1000023749 (Softnet Solutions LLC)
7. Resolution - Contract 1000023748 (Intervision Systems LLC)
8. Resolution - Contract 1000023749 (Softnet Solutions LLC)



**Exhibit 1**  
**Minimum Discounts off of Manufacturer's List Price**

<b>JUNIPER</b>	
<b>Product Family</b>	<b>Minimum % Discount Off of Juniper's List Price</b>
EX switches	59.00%
EX MP based switches	59.00%
QFX 5K series Switches	63.00%
QFX 10K series switches	63.00%
Switch Licenses (EX and QFX)	45.00%
MX Series Router Bundle	68.00%
MX Series MPC cards	68.00%
Optics	80.00%
Cables and auxiliary items	59.00%
Support (Discounting includes all SVC sku's)	10.00%
Mist wireless - Includes pricing for all AP's and accessories	32.50%
Mist Cloud subscription and services - Includes all subscriptions and services	10.00%

<b>HPE</b>		
<b>Category</b>	<b>Product Family</b>	<b>Minimum % Discount Off of HPE's List Price</b>
Brocade	SAN (Fibre Channel)	44.00%
dHCI	Nimble/Hyperconverge	44.00%
Qumulo	NAS Storage	44.00%
SimpliVity	Hyperconverge	44.00%
Storage	Nimble	44.00%
StoreOnce	Backup	32.00%
StoreOnce 2XXXX/3XXXX	Backup	33.00%
Tape Drives	Backup	33.00%
Tape Drives & Autoloaders	Backup	33.00%
Tape Libraries	Backup	33.00%
x86 Server	Proliant 2-Socket Blade Servers	33.00%
x86 Server	Proliant 2-Socket Rack Servers	35.00%
x86 Server	Proliant 4-Socket Blade Servers	33.00%
x86 Server	Proliant 4-Socket Rack Servers	35.00%



x86 Server	Proliant Blade Enclosures	33.00%
dHCI	Nimble/Hyperconverge	30.00%
Storage	Nimble	30.00%
x86 Server	Proliant 2-Socket Blade Servers	42.00%
x86 Server	Proliant 2-Socket Rack Servers	33.00%
x86 Server	Proliant 4-Socket Blade Servers	33.00%
x86 Server	Proliant 4-Socket Rack Servers	33.00%
x86 Server	Proliant Blade Enclosures	33.00%
Veeam	Backup Software	33.00%
dHCI	Nimble/Hyperconverge	43.00%
Storage	Nimble	30.00%
x86 Server	Proliant 2-Socket Blade Servers	30.00%
x86 Server	Proliant 2-Socket Rack Servers	30.00%
x86 Server	Proliant 4-Socket Blade Servers	30.00%
x86 Server	Proliant 4-Socket Rack Servers	30.00%
x86 Server	Proliant Blade Enclosures	30.00%