



**San Francisco Office of the City Administrator
City Administrator Carmen Chu**

Proposed Amendment to Citywide Contract for Juniper Networking Hardware, Software, and Support (TC 91115)

File **25-0332**

Office of Contract Administration

Board of Supervisors' Budget and Finance Committee

April 30, 2025

Request Summary

- Authorize the Office of Contract Administration (“OCA”) to increase the not-to-exceed (“NTE”) amount for an Agreement with Intervision Systems, LLC for the purchase of networking equipment, software, and standard hardware/software support manufactured by Juniper Networks Inc. (“Juniper”).

Supplier Name	Contract ID	Contract Term	Original NTE	Revised NTE
Intervision Systems, LLC	1000023748	February 1, 2022 – January 31, 2027	\$40,000,000	\$74,040,000

Purchasing Authority

- On September 20, 2021, the Office Contract Administration (OCA) issued an Invitation for Low Bids (IFB) for the purchase of networking equipment, software and hardware/software support manufactured by three manufacturers: Juniper Networks Inc. (“Juniper”), Hewlett Packard Enterprise Company (“HPE”) and Aruba Networks (“Aruba”).
- The solicitation resulted in the award of three contracts, one for each manufacturer. Award was based on the highest weighted discount across all product lines for each manufacturer. Intervision was selected as the Lowest Responsive Bidder for Juniper’s offerings. The original Agreement was approved by BOS Resolution # 25-22.

Product Line/Manufacturer	Awarded Contractor	Contract ID	Original NTE
Juniper	Intervision Systems LLC	1000023748	\$40,000,000
HPE	CDW Government, LLC	1000023749	\$8,500,000
Aruba	Intervision Systems LLC	1000023750	\$8,500,000

Structure of Contract

- **Primary users:** The San Francisco International Airport (SFO) and San Francisco Public Utilities Commission (SFPUC).
- **As-needed contract:** City Departments may (but are not required to) use these contracts to purchase Juniper, HPE and Aruba products.
- **Pricing Model:** The awarded contractor (Intervision Systems, LLC) offers Juniper's full range of product offerings, with a guaranteed Minimum Discount off of the Manufacturer's List Price ("Minimum Discount off of List"). However, City may negotiate deeper discounts than the guaranteed Minimum Discount off of List at the transaction level based on other considerations, including volume.

Impact of Juniper Networking Contract

- **Efficient Process for Procuring Essential Hardware, Software and Support:**
 - Reduced procurement time for each transaction from weeks to hours;
 - Secured minimum guaranteed discounts for each product line; and
 - Enables better tracking of purchases by manufacturer.
- **Competition:**
 - Contract for Juniper networking equipment, along with those for HPE and Aruba, and previously awarded contract for Cisco networking equipment ensures adequate competition between all major manufacturers in this space.

SFO's NextGen Network Upgrade Project

- This project is part of a larger Next Generation Air Transportation System (NextGen) initiative by the Federal Aviation Administration (FAA) to modernize traffic control infrastructure.
- SFO's NextGen Network Upgrade Project will modernize SFO's existing 20-year-old Juniper network. It will increase reliability, provide the ability to support enhanced segmentation, and lay the groundwork for full compliance with TSA cybersecurity requirements.
- This project is estimated at \$44 million, with \$20 million already encumbered through the contract.

Recommendation

- Authorize the Office of Contract Administration to amend Intervision Systems LLC's contract for the purchase of as-needed networking equipment, software, and standard hardware/software support manufactured by Juniper Networks Inc.

Reference Materials

Table 1: Intervention Contract NTE Calculations based on Total Spend by City Departments

Total Encumbered Funds as of Data Cutoff Date (January 31, 2025)	\$37,223,287
Average Monthly PO Encumbrances since Contract Start Date (this average excludes \$20M of which was for a one-time capital project, NextGen Network Upgrade)	\$464,514
Number of Months to Contract End Date	24
Total Additional Funds Needed through Contract End Date (Before any Adjustments)	\$11,145,675
Less Available Contract Balance in Peoplesoft	(\$2,776,713)
Plus Contingency (15%)	\$1,671,851
One-Time Cost for SFO's NextGen Upgrade	\$24,000,000
Current Executed Contract NTE	\$40,000,000
Total Additional Funds Needed through Contract End Date	\$34,040,813
Proposed Revised Executed Contract NTE (Rounded to nearest ten thousand)	\$74,040,000