



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

Networking Hardware, Software, and Support (Term Contract 91115)

Office of Contract Administration

Board of Supervisors' Budget and Finance Committee
January 11, 2022

Summary of Request

- Authorize the Office of Contract Administration to enter into an agreement Intervision Systems LLC for the purchase of networking equipment, software and hardware/software support manufactured by Juniper Networks Inc. (Juniper).
 - **Not to Exceed Amount:** \$40,000,000
 - **Duration:** Five years commencing on February 1, 2022 and ending on January 31, 2027. No options to extend.
 - **PeopleSoft Contract ID:** 1000023748

Solicitation

- On September 20, 2021, the Office Contract Administration (OCA) issued Invitation for Low Bids (IFB) 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. 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.



Product Line/Manufacturer	Awarded Contractor	Contract ID	Contract Amt
Juniper	Intervision Systems LLC	1000023748	\$40,000,000
HPE	SoftNet Solutions LLC	1000023749	\$8,500,000
Aruba	Intervision Systems LLC	1000023750	\$8,500,000

Structure of Each Contract

- **Primary users:** The San Francisco Public Utilities Commission (SFPUC) and San Francisco International Airport (SFO).
- **As-needed contracts.** City Departments may (but are not required to) use these contracts to purchase Juniper, HPE and Aruba products.
- **Pricing Model:** The awarded contractors must offer each manufacturer's full range of product offerings, each 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 these Contracts

- **Efficient Process for Procuring Essential Hardware, Software and Support:**
 - Reduces procurement time for each transaction from weeks to hours;
 - Secures minimum guaranteed discounts for each product line; and
 - Enables better tracking of purchases by manufacturer.
- **Competition:**
 - City already has a contract for the purchase of Cisco networking equipment with ConvergeOne Holdings Corp. in the amount of \$65,000,000.
 - Contracts for Juniper, HPE and Aruba networking equipment will ensure adequate competition between all major manufacturers in this space.

Recommendation

- Authorize the Office of Contract Administration to enter into an agreement Intervision Systems LLC for the purchase of networking equipment, software and hardware/software support manufactured by Juniper Networks Inc. with a contract not-to-exceed (NTE) amount of \$40 million and a total contract duration of five years.

Thank You