RESOLUTION NO. 20-04-21 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING MODIFICATION AND EXTENSION OF A CONTRACT WITH CVE TECHNOLOGIES GROUP, INC. FOR IT NETWORK HARDWARE, SOFTWARE AND ENGINEERING SERVICES

1. Purpose of Item
   This Resolution requests that the TriMet Board of Directors (Board) authorize the General Manager or his designee to execute a modification and extension of a contract (Modification) with CVE Technologies, Inc. (CVE) for Information Technology (IT) network hardware, software and engineering services.

2. Type of Agenda Item
   - Initial Contract
   - Contract Modification and Extension
   - Other

3. Type of Contract Procurement
   - Low Bid / Invitation to Bid (ITB)
   - Request for Proposals (RFP) (inc. CM/GC)
   - Request for Qualifications (RFQ) (Personal Services)
   - Other (inc. sole source): Direct contract under State Price Agreement

4. Reason for Board Action
   Board approval is required for goods and services contracts obligating TriMet to pay in excess of $1,000,000. The requested Modification and extension will exceed the Board’s previously authorized contract amount.

5. Type of Action:
   - Resolution
   - Ordinance 1st Reading
   - Ordinance 2nd Reading
   - Other

6. Background
   TriMet pays the State of Oregon an annual fee to be able to utilize State Price Agreements, which leverage demand from all state and local agencies in order to secure the best possible pricing based on volume. CVE is a preferred partner of Cisco Systems on the State Price Agreement, which allows TriMet to contract with CVE directly. CVE was originally brought in to work with other consultants and TriMet staff to address network issues and assist in the re-design of TriMet’s network to ensure increased reliability and redundancy.
In January 2018, the Board approved Resolution 18-01-06, authorizing the modification of a contract with CVE for network hardware, software and engineering services to the amount of $6,105,000. The current CVE contract will end at the close of this Fiscal Year (June 30, 2020). This Modification would increase the total amount of the contract by $10,850,000, for a new authorized amount of $16,955,000, over the expected three-year term of the contract.

An ongoing contract with CVE remains necessary to continue TriMet’s efforts to refine and improve its network, purchase regularly updated hardware, software and new equipment, and for engineering services. This Modification adds funds and extends the term of the contract an additional three years to support CVE’s work. The majority of this work is related to network equipment on State of Good Repair schedules.

The various projects and their anticipated budgets over the next three years are described below:

<table>
<thead>
<tr>
<th>Project Description</th>
<th>FY20/21</th>
<th>FY22</th>
<th>FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Comm Replacement Budget</td>
<td>$1,289,500</td>
<td>$1,057,900</td>
<td>$712,800</td>
</tr>
<tr>
<td>Communications Environment Replacement Budget</td>
<td>$429,000</td>
<td>$250,000</td>
<td>$300,000</td>
</tr>
<tr>
<td>Physical Infrastructure (UPS's)</td>
<td>$250,000</td>
<td>$550,000</td>
<td>$550,000</td>
</tr>
<tr>
<td>Other Agency Capital Projects requests</td>
<td>$815,000</td>
<td>$800,000</td>
<td>$800,000</td>
</tr>
<tr>
<td>Cisco SmartNet support renewals (hardware &amp; voice)</td>
<td>$400,000</td>
<td>$440,000</td>
<td>$484,000</td>
</tr>
<tr>
<td>Other support agreements (PaloAlto, PAN, DNA etc.)</td>
<td>$288,400</td>
<td>$302,820</td>
<td>$317,961</td>
</tr>
<tr>
<td>Apcon support renewals</td>
<td>$30,000</td>
<td>$35,000</td>
<td>$40,000</td>
</tr>
<tr>
<td>WebEx Teams support renewal</td>
<td>$38,000</td>
<td>$40,000</td>
<td>$42,000</td>
</tr>
<tr>
<td>Professional Consulting Services</td>
<td>$200,000</td>
<td>$200,000</td>
<td>$200,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,739,900</strong></td>
<td><strong>$3,675,720</strong></td>
<td><strong>$3,446,761</strong></td>
</tr>
</tbody>
</table>

Approximately $350,000 of the amount budgeted for FY20/21 will be used throughout the remaining months of FY20. $85,000 of this amount is dedicated to existing Engineering and Construction projects.

7. **Procurement Process**
   This procurement was done as a piggyback off of the State of Oregon Price Agreement #4723 with Cisco Systems, pursuant to ORS 279A.215, Permissive Cooperative Procurements.

8. **Diversity**
   CVE self-performs all of the Services under the Contract. Its workforce diversity statistics are as follows:

<table>
<thead>
<tr>
<th>Total # of Employees</th>
<th>% Minorities</th>
<th>% Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,179</td>
<td>21%</td>
<td>5%</td>
</tr>
</tbody>
</table>

9. **Financial/Budget Impact**
   The requested Modification would increase the contract amount by $10,850,000, for a new total amount of $16,955,000. These funds are included within the IT division’s current FY 2021 capital and operating budget, and also reflects an estimate of additional amounts that is likely to be needed for other Agency projects over the next three years.
10. **Impact if Not Approved**

If this Resolution is not approved, TriMet would need to issue a Request for Proposals for these goods and services. This is not recommended because the pricing and terms and conditions of the State Price Agreement are better than what TriMet could expect to obtain on the open market based on its own requirements. CVE is well-qualified for this work and has performed well under the current contract. TriMet staff strongly recommends this contract Modification.
RESOLUTION NO. 20-04-21

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WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract Modification with CVE Technologies Group, Inc. (CVE) for IT network hardware, software and engineering services; and

WHEREAS, the contract Modification will increase the total amount of the current contract by more than $1,000,000; and

WHEREAS, by Resolution dated October 25, 2017, the TriMet Board of Directors (Board) adopted a Statement of Policies requiring the Board to approve goods and services contracts obligating TriMet to pay in excess of $1,000,000;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Modification shall conform with applicable law.

2. That the General Manager or his designee is authorized to execute the Modification in an amount not to exceed $10,850,000, over the three-year contract term.

Dated: April 22, 2020

______________________________
Presiding Officer

Attest:

______________________________
Recording Secretary

Approved as to Legal Sufficiency:

______________________________
Gregory E. Skillman
Legal Department