



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL:		DocuSigned by: <i>Michael Jones</i> 47000790F2D7463...		GENERAL MANAGER ACTION REQ'D:	
DATE: 9/27/2022		11/9/2022		BOARD INITIATED ITEM: No	
Originator/Prepared by: Oliver Martinez Dept: Strategic Engineering DocuSigned by: <i>Michael Gerbracht</i> 09289FE4E244436... Signature/Date: 11/7/2022		General Counsel DocuSigned by: <i>Jana Belan</i> F8FD7B3A73E74E8... 11/7/2022 []		Controller/Treasurer DocuSigned by: <i>Chris Gan</i> EE11C8CEEEA04FD... 11/7/2022 []	
				District Secretary []	
				BARC DocuSigned by: <i>Shane Edwards</i> 8128A2EB2F014F3... 11/7/2022 []	

Procurement of Cisco Smartnet Maintenance Services

PURPOSE:

To obtain Board authorization for the General Manager to execute a five-year agreement with Cisco Systems, Inc (Cisco) for Smartnet maintenance service and support in an amount not to exceed \$4,100,000.

DISCUSSION:

BART's Districtwide Operational Technology Networking Infrastructure (DOTI) is the District-wide computer network for monitoring and controlling trains, fare collection equipment, field devices, CCTV equipment, radios, and more.

BART uses Cisco hardware and software exclusively, and Cisco Smartnet support would allow BART access to the following critical services and support features:

- Firmware and operating system software upgrades including patches that prevent cyber security threats
- Same day hardware warranty replacement of components and spare parts
- 24/7 emergency support & equipment diagnostics through the Cisco Technical Assistance Center.

BART currently has Cisco Smartnet service coverage for much of the equipment in the DOTI network. Because equipment has been procured at different times with different service contracts, the expiration date of service varies on the equipment. These individual service contracts will terminate upon execution of the new individual Cisco Smartnet

agreement. This procurement will also apply the Smartnet service to additional existing Cisco equipment in the DOTI network that is not currently covered.

A single five-year agreement provides BART with substantial cost savings relative to a series of one-year agreements. Cisco offers a substantial price discount for a multi-year agreement, and will lock in their current-year pricing for the entire duration of the agreement; whereas a series of one-year agreements would not receive the discount and instead would see substantial annual price increases. Over five years, the long-term agreement provides over \$1 million in savings as compared to annual one-year agreements.

This procurement will be made through the National Association of State Procurement Officials (NASPO) cooperative purchasing program approved by the Board in 2016.

NASPO ValuePoint (formerly WSCA-NASPO) is a cooperative purchasing program, aggregating the demand of all 50 states, the District of Columbia and the organized US territories, their political subdivisions and other eligible entities.

Because the State of California participates in the NASPO program, its local agencies and districts, including BART, are authorized by California Public Contract Code section 10298 to purchase items from the suppliers awarded contracts by NASPO without further competitive bidding.

This procurement will be pursuant to the Utah ValuePoint Master Agreement Number AR3227, State of California Participating Addendum Number 7-20-70-47-01 with Cisco Systems, Inc., expiring September 30, 2024.

Pursuant to the District's Non-Federal Small Business Program, the District conducted an analysis and determined that there are no certified Small Businesses (SB) certified by the California Department of General Services capable of providing the goods and services in this scope of work. Therefore, the Small Business Program does not apply to this NASPO ValuePoint agreement.

Pursuant to the District's Non-Discrimination Program for Subcontracting, the Availability Percentages for this Contract are 5.5% for Minority Business Enterprises (MBEs) and 2.8% for Women Business Enterprises (WBEs). Vendor Cisco Systems will not be subcontracting any portion of the Work and therefore, the provisions of the District's Non-Discrimination Program for Subcontracting do not apply.

The Office of General Counsel will approve the Agreement as to form prior to execution.

FISCAL IMPACT:

Funds for this contract will be provided through the FY23 Operating Budget and will be

charged for Department #0802821 – Communications & Controls, Account #681355-Software & Tech Support. The District is electing to fund five years of service from this contract upfront, which will result in lower overall costs over the term of the contract. Though the full, discounted, cost is being paid in FY23, these costs will be recognized in each applicable fiscal year. Only one year of costs will show in the current year's actuals, and the discounted cost for each remaining year of the contract will be included in the Operating Budget between FY24 and FY27. This action is not anticipated to have any Fiscal Impact on unprogrammed District reserves in the current Fiscal Year.

Fiscal Year	Proposed Budget
FY23	\$4,100,000
TOTAL	\$4,100,000

A previous Cisco SmartNet contract awarded in FY21 was for an amount of \$450K for a 1-year period. The increase in annual cost is because a significant amount of equipment is included in this 5-year agreement that was not covered by the previous 1-year agreement.

ALTERNATIVES:

The District can shorten the duration of the contract. This level of service would need to be acquired through multiple one-year contracts requiring additional approvals in the future. The overall cost to the District over time would be greater than executing this proposed five year agreement.

Not pursuing this procurement will leave the current equipment on BART's DOTI network running an older version of firmware and software that is more vulnerable to cybersecurity threats.

Additionally, several capital projects require Cisco's most recent firmware and software upgrades, and these capital projects would be adversely impacted.

RECOMMENDATION:

It is recommended that the Board adopt the following motion:

MOTION:

The General Manager is authorized to execute a five (5) year agreement with Cisco Systems, Inc for Cisco Smartnet maintenance service and support for an amount not to exceed \$4,100,000.

Procurement of Cisco Smartnet Maintenance Services (cont.)