BOARD MEETING DATE: March 1, 2019   AGENDA NO. 7

PROPOSAL: Authorize Purchase of Maintenance and Support Services for
                    Servers and Storage Devices

SYNOPSIS: The servers and storage devices are used by enterprise-level
                    software applications that currently support the Clean Air Support
                    System for all SCAQMD core activities. Maintenance support for
                    these systems will expire on April 30, 2019. This action is to obtain
                    approval for the sole source purchase of hardware and software
                    maintenance and support services for servers and storage devices
                    from Hewlett Packard Enterprise Company for one year, in an
                    amount not to exceed $120,000.

COMMITTEE: Administrative, February 8, 2019; Less than a quorum was present;
                    the Committee Members concurred that this item be forwarded to the
                    Board for consideration.

RECOMMENDED ACTIONS:
Authorize the Procurement Manager to purchase one year of maintenance and support
services for SCAQMD servers and storage devices from Hewlett Packard Enterprise
Company at a cost not to exceed $120,000.

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Wayne Nastri
Executive Officer
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Background
SCAQMD uses HewlettPackard Enterprise Company (HP) servers and storage devices
running Windows Server and Linux operating systems. The HP servers support several
production applications such as the Clean Air Support System (CLASS), Permit
Processing, Finance, Compliance, NSR, Emission Fee Billing, Notice of Violations,
Facility Permits, ERS Interim Reports, Subscription Services, Central Stations,
PeopleSoft Financial and HCM database, OnBase document management system,
JWorks Legal system, AQMP Modeling and Telemetry system. Hardware and software
maintenance and support services are required to ensure the continued operation of
these programs with minimum interruption. Maintenance and support services for these
servers expire on April 30, 2019.

In 2006, the Board approved release of an RFQ to select a vendor capable of providing the most cost-effective hardware and software maintenance and support services for servers. Only one vendor, (HP), the company that is currently supporting SCAQMD's servers, submitted a bid. HP is the sole manufacturer and provider of the hardware and software, and the only source for maintenance support licensing agreements. HP also provides the SCAQMD with substantial discounts through the WSCA (Western States Contracting Alliance) cooperative agreements.

Sole Source Justification
Section VIII.B.2 of the Procurement Policy and Procedure identifies circumstances under which a sole source purchase award may be justified. This request for a sole source award is made under provision VIII.B.2.c(2) and (3). The project involves the use of proprietary technology, and the contractor has ownership of key assets required for project performance. HP is the sole provider of this hardware and software and therefore, the only source for its maintenance and support licensing agreements.

Proposal
Staff recommends the purchase of one year of maintenance and support services for server hardware and software from HP at a cost not to exceed $120,000.

Resource Impacts
Sufficient funds are included in the FY 2018-19 Budget.