

**Date:** January 24, 2018

**To:** Board of Directors

**From:** Neil McFarlane 

**Subject:** **RESOLUTION 18-01-06 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A MODIFICATION TO A CONTRACT WITH CVE TECHNOLOGIES GROUP, INC. FOR IT NETWORK HARDWARE, SOFTWARE AND ENGINEERING SERVICES**

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**1. Purpose of Item**

The purpose of this item is to request that the TriMet Board of Directors (Board) authorize the General Manager to execute a modification to a contract with CVE Technologies, Inc. (CVE) for IT network hardware, software and engineering services (Goods and Services).

**2. Type of Agenda Item**

- Initial Contract
- Contract Modification
- Other \_\_\_\_\_

**3. Reason for Board Action**

Board approval is required for goods and services contracts obligating TriMet to pay in excess of \$1,000,000. Previously, TriMet executed a contract with CVE, but it was below the Board threshold for approval. The requested modification will cause the contract to exceed the Board threshold amount for goods and services of \$1,000,000.

**4. Type of Action**

- Resolution
- Ordinance 1<sup>st</sup> Reading
- Ordinance 2<sup>nd</sup> Reading
- Other \_\_\_\_\_

**5. Background**

In October 2016, the Board approved Resolution 16-10-67, authorizing a contract modification with CVE for network and CCTV assessment services. CVE conducted an assessment of TriMet's network in preparation for the launch of the Hop FastPass payment system and installation of several CCTV cameras on light rail station platforms to ensure that the network was resilient enough to withstand the additional activity.

As a result of working closely with CVE on the assessment of TriMet's network and CCTV system, the IT Division requested a contract in May 2017 with CVE utilizing the State of

Oregon Price Agreement with Cisco for the Goods and Services. CVE is a preferred partner of Cisco's on the State Price Agreement, which allows TriMet to contract with them directly. TriMet also has a contract with ConvergeOne, Inc, formerly Mountain States Networking, for similar Goods and Services. ConvergeOne, Inc. is also a preferred partner on Cisco's State of Oregon Price Agreement. The contract with ConvergeOne, Inc. was approved by the Board at its September 2014 meeting via Resolution 14-09-46 in an amount not to exceed \$8,000,000. Since TriMet has worked so closely with ConvergeOne, Inc. since 2014 on procuring hardware, software, and engineering support for its network, engaging CVE, another Cisco preferred partner, was necessary to have them come in and independently assess the network design and all of the goods and services procured and installed as a result of working with ConvergeOne, Inc. over the years. CVE brought a fresh perspective to the issues and is working together with other consultants to re-design the network to ensure increased reliability and redundancy. This will entail building it from scratch over the next two years while maintaining the existing network.

**6. Procurement Process**

This procurement was done as a piggyback off of the State of Oregon Price Agreement #4723 with Cisco pursuant to ORS 279A.215, governing permissive cooperative procurements.

**7. Diversity**

CVE self-performs all of the Services under the Contract. Their workforce diversity statistics are as follows:

Total # of Employees	% Minorities	% Women
1,179	21%	5%

**8. Financial/Budget Impact**

The current not-to-exceed amount of the contract is \$200,000. With the requested modification, the contract not-to-exceed amount will increase to \$6,105,000, an increase of \$5,900,000. IT will be requesting the additional funds for the Goods and Services in its FY19 budget request.

**9. Impact if Not Approved**

If the Board decides not to approve the attached Resolution, TriMet would have to issue a Request for Proposals for the Goods and Services. This is not recommended because the pricing and terms and conditions of the State Price Agreement are assumed to be better than what TriMet could obtain on the open market based on its own requirements. The State Price Agreement leveraged demand from all state and local agencies and secured the best possible pricing based on the volume. Additionally, TriMet pays the State an annual fee to be able to utilize State Price Agreements like this one.

**RESOLUTION 18-01-06**

**RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A MODIFICATION TO A CONTRACT WITH CVE TECHNOLOGIES GROUP, INC. FOR IT NETWORK HARDWARE, SOFTWARE AND ENGINEERING SERVICES**

**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 (Modification); and

**WHEREAS**, the Modification will cause the total amount of the contract to exceed \$1,000,000; and

**WHEREAS**, the TriMet Board of Directors (Board), by Resolution dated October 25, 2017, 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 be in conformance with applicable laws.
2. That the General Manager or the General Manager's designee is authorized to execute the Modification in an amount not to exceed \$5,900,000.

Dated: January 24, 2018

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Presiding Officer

Attest:

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Recording Secretary

Approved as to Legal Sufficiency:

  
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Legal Department