NAPA COUNTY BOARD OF SUPERVISORS
Board Agenda Letter

TO:      Board of Supervisors
FROM:    Jon Gjestvang - Chief Information Officer
         Information Technology Services
REPORT BY: Michael Parker, Staff Services Analyst II - 707-299-1517
SUBJECT: Agreement with Neko Industries, Sole Source Purchase of Assureon Server and Software, Revision of Capital Asset Schedule, Removal of Capital Asset from ITS Inventory, and Budgetary Transfer

RECOMMENDATION

Chief Information Officer requests the following actions related to the Archive Server replacement:

1. Approval of and authorization for the Chair to sign an agreement with Neko Industries for a maximum of $61,830 ($4,880 for professional services and $56,950 for equipment and software) for the term of August 1, 2019 through March 31, 2020, to provide installation, configuration, and support of a Replicated Assureon Archive Capacity Server (the Server);
2. A waiver of competitive bidding requirements and sole source award to Neko Industries, Inc., of Roseville, CA, for the purchase of the Server and accompanying software in the amount of $56,950, pursuant to County Ordinance Code 2.36.090;
3. A revision of the Schedule of Approved Capital Assets in the Final Budget for Fiscal Year 2019-2020 for the purchase of the Server in lieu of two approved Routers/Switches/Firewall units;
4. Declare current Assureon Server capital asset (tag ID C9484) obsolete and no longer required for public use, authorize its removal as a capital asset from the Information Technology Services' capital asset inventory, and authorize e-waste disposal; and
5. Approval of Budget Transfer No. ITS001 increasing appropriations in the Network Operations subdivision equipment expense account by $6,950 offset by a $6,950 decrease in maintenance-software within the same subdivision and establishment of capital asset in the amount of $56,950 for the purchase of the Server. (4/5 vote required)

EXECUTIVE SUMMARY

Neko Industries, Inc. (Neko) has provided maintenance and support of the County's electronic content
management system (ECMS) since 2003. In the past year, ITS has entered into agreements with Neko in order to provide electronic database consolidation and migration services for Planning, Building, and Environmental Services (PBES) and the Sheriff's department.

Today's requested action will allow ITS to enter into an agreement with Neko to install and configure a Replicated Assureon Archive Capacity Server and accompanying software. Today's request will also revise the approved Information Technology Services' (ITS) Capital Asset Schedule for the Fiscal Year 2019-2020, so ITS can purchase the aforementioned Assureon unit and software in lieu of two approved Routers/Switches/Firewall units.

If approved, today's action will remove the fully depreciated and near end of life server from the ITS capital asset inventory and all the equipment to be properly disposed.

Additionally, today's action will permit Budget Transfer No. ITS001 to increase appropriations in the Network Operations subdivision equipment expense account by $6,950, offset by an equal decrease in maintenance-software within the same subdivision and establishment of capital asset in the amount of $6,950 for the purchase of a server.

Neko Industries, Inc. is located in Roseville, CA, and is not a local vendor.

**FISCAL IMPACT**

Is there a Fiscal Impact? Yes

Is it currently budgeted? Yes

Where is it budgeted? Information Technology Services

Is it Mandatory or Discretionary? Mandatory

Is the general fund affected? No

Future fiscal impact: There is no fiscal impact beyond the current fiscal year.

Consequences if not approved: The current Assureon unit is near end of life, and cannot be upgraded to the new, required operating version. If not upgraded, the current Assureon Server will not be able to back up and store County data beyond January 2020. Neko has the technical experience and thorough understanding of County systems to perform this upgrade.

Additional Information:

**ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

**BACKGROUND AND DISCUSSION**

Neko Industries, Inc. (Neko) is a systems integration organization focusing on electronic content management through various solutions, including the OnBase System. Neko has provided maintenance and support for the
County’s electronic content management system (ECMS) since 2003. At inception, Planning, Building and Environmental Services (PBES), Sheriff's Office, and Human Resources (HR) were the first County departments to begin storing documents electronically. The ECMS is now utilized County-wide, including recent integrations into PeopleSoft Financials applications, Accela and the Records Center digitization project.

ITS entered into Agreement Number 190113B in October 2018 for $8,400 and Agreement Number 190227B in February 2019 for $8,500 with Neko in order to provide electronic database consolidation and migration services for PBES and the Sheriff’s respectively. On June 4, 2019, Amendment No. 1 for Agreement No. 190113B was approved to extend the term of the agreement through September 2019. The current secured document storage system for official electronic documents is nearing end of life, so there is a business need to replace this unit.

Today's requested action will allow ITS to enter into an agreement with Neko in the amount of $61,830 ($4,880 for professional services and $56,950 for equipment and software), for the term of August 1, 2019, through March 31, 2020, leveraging Neko’s technical guidance and knowledge of our system to replace the current Assureon Server with a larger unit. A waiver of competitive bidding requirements and sole source award to Neko Industries, Inc. is also requested for the purchase of the server and accompanying software. Neko has the technical experience and thorough understanding of County systems to perform this upgrade.

Today’s action will revise the approved Information Technology Services’ (ITS) Capital Asset Schedule for the Fiscal Year 2019-2020, so ITS can purchase the aforementioned Assureon unit and software in lieu of two approved switches, which have already been planned for capital asset purchase in FY20-21. By offsetting with $50,000 in reduced switches, the net increase to the FY19-20 appropriation will be $6,950. The relevant capital asset equipment will increase from $79,000 to $85,950 as shown below:

<table>
<thead>
<tr>
<th>FY 19/20 Schedule of Approved Capital Assets</th>
<th>Today’s Requested Revision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Routers/Switches/Firewall (7)</td>
<td>$79,000</td>
</tr>
<tr>
<td>Routers/Switches/Firewall (5)</td>
<td>$29,000</td>
</tr>
<tr>
<td>Assureon Server</td>
<td>$56,950</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$79,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$85,950</td>
</tr>
</tbody>
</table>

Furthermore, today's requested action will authorize removal of the current Assureon Server capital asset item (tag ID C9484) from ITS’ capital asset inventory and allow the current Assureon unit to be disposed of through proper e-waste disposal; the unit that is to be replaced is fully depreciated with no net book value.

Lastly, today’s action will permit Budget Transfer No. ITS001 to increase appropriations in the Network Operations subdivision equipment expense account by $6,950, offset by a $6,950 decrease in maintenance-software within the same subdivision and establishment of capital asset in the amount of $56,950 for the purchase of a server.

Neko Industries, Inc. is located in Roseville, CA, and is not a local vendor. However, the company has extensive experience in systems and document/records management experience, having implemented the OnBase solution for Napa County and many other public and private organizations.

SUPPORTING DOCUMENTS
None

CEO Recommendation: Approve

Reviewed By: Helene Franchi