



Legislation Text

File #: 220668, **Version:** 1

ORDINANCE NO. 220668

Authorizing the Director of Finance as part of the OneIT Initiative to execute a five year \$5,141,086.72 sole source Payment Plan Agreement with Key Government Finance, Inc. for Cisco SMARTnet and SMARTnet Onsite Services; appropriating \$307,620.13 to the Reimbursable Maintenance Account; authorizing the Director of General Services to expend such funds for Cisco SMARTnet and SMARTnet Onsite Services; and authorizing the Manager of Procurement to execute amendments and a five-year sole source contract with a one year extension with ConvergeOne Inc.

WHEREAS, the City and Kansas City, Missouri Police Department (“KCPD”) have over 1,000 pieces of Cisco equipment and software; and

WHEREAS, all Cisco equipment and software must be maintained by Cisco or a Cisco authorized resellers; and

WHEREAS, under the OneIT Initiative, the City and KCPD are working together to consolidate Information Technology management of software and equipment including maintenance agreements for Cisco equipment and software; and

WHEREAS, as part of the OneIT Initiative, the City and KCPD have collaborated to have one contract for Cisco SMARTnet and SMARTnet Onsite Services through the City for all City and KCPD owned Cisco equipment; and

WHEREAS, the City and KCPD collaborated to lock in pricing for Cisco SMARTnet and SMARTnet Onsite Services for five years; and

WHEREAS, by collaborating and entering into a five-year prepaid maintenance Cisco SMARTnet and SMARTnet Onsite Services agreement, the City and KCPD will save \$3,094,613.14 over the 5 year period; and

WHEREAS, to lock in the five year maintenance pricing, the City needs to enter into a five year agreement to annually pay the maintenance costs subject to annual appropriation; and

WHEREAS, Key Government Finance, Inc., Cisco’s finance partner, has provided the City a five year 0% interest rate to prepay the five year maintenance costs upfront as long as the City executes a Payment Plan Agreement and all required documents by August 26, 2022; and

WHEREAS, the City’s outside lease counsel, Kutak Rock, LLP have reviewed the transaction and concluded that the City’s Payment Plan Agreement with Key Government Finance, Inc. for Cisco SMARTnet and SMARTnet Onsite Services would be reported on the City’s financial statements as an expense rather than a debt; and

WHEREAS, the City's current agreement with ConvergeOne Inc., Cisco's authorized reseller, is an Agreement that expires on December 16, 2022; and

WHEREAS, the City's Payment Plan Agreement with Key Government Finance, Inc. for Cisco SMARTnet and SMARTnet Onsite Services incorporates the City's purchase of the Cisco SMARTnet and SMARTnet Onsite services through the City's sole source Agreement with ConvergeOne, Inc., and

WHEREAS, the City must enter into a new Agreement with ConvergeOne, Inc. to extend the term of the Contract to cover the 5 year period; and

WHEREAS, ConvergeOne, Inc. has the guaranteed best pricing from Cisco as its preferred reseller; and

WHEREAS, a public solicitation would result in a substantial increased cost for the City; and

WHEREAS, for the reasons stated above, the City Manager has approved sole source waivers for Key Governance Finance, Inc. and ConvergeOne, Inc. under Section 3-7(a)(2), Code of Ordinances so the City can save \$3,094,613.14\$ on Cisco SMARTnet and SMARTnet Onsite Services; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Director of Finance is hereby authorized to execute a five-year \$5,141,086.72 sole source Payment Plan Agreement with Key Government Finance, Inc. for Cisco SMARTnet and SMARTnet Onsite Services and any and all other documents necessary to effectuate the transaction with payments for years one through five subject to annual appropriation by the City Council. A copy of the Payment Plan Agreement in substantial form is on file in the Procurement Services Division.

Section 2. That the amount of \$ 307,620.13 is appropriated from the Unappropriated Fund Balance of the Information Technology Reimbursable Services Fund to the following account of the Information Technology Reimbursable Services Fund:

23-7160-071891-B	Reimbursable - Maintenance	\$307,620.13
------------------	----------------------------	--------------

Section 4. That the Director of General Services is hereby authorized to expend \$1,028,217.344 from funds appropriated to Account No. 23-7160-071891 for Cisco SMARTnet and SMARTnet Onsite Services.

Section 5. That the Manager of Procurement is authorized to execute a one year extension, contract amendments and a five-year sole source contract with ConvergeOne, Inc. and is authorized to issue purchase orders that exceed the \$1,000,000.00 annual threshold for City Council authorization set forth in Section 3-41 (a)(2), Code of Ordinances, with such funds that are appropriated in the City's Annual Budget without further Council approval.

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

Tammy L. Queen
Director of Finance

Approved as to form and legality:

James Brady
Assistant City Attorney