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RESOLUTION 20xx-xxx

RESOLUTION (1) AUTHORIZING A PURCHASE ORDER WITH NTT AMERICA, INC. FOR THE PURCHASE OF FIVE-YEAR CISCO SMARTNET MAINTENANCE NOT TO EXCEED A FIVE-YEAR TOTAL COST OF OWNERSHIP OF \$669,820.38, FINANCED THROUGH ASSET FINANCE GROUP, INC.; AND (2) AUTHORIZING AN INSTALLMENT PAYMENT AGREEMENT WITH ASSET FINANCE GROUP, INC. TO FINANCE THE PURCHASE OF CISCO SMARTNET SUPPORT SERVICES FROM NTT AMERICA IN AN AMOUNT NOT TO EXCEED \$669,820.38 OVER FIVE YEARS AT ZERO-PERCENT INTEREST. FY2025 EXPENDITURES ARE INCLUDED IN THE TECHNOLOGY MANAGEMENT PROGRAM BUDGET. ALL FUNDS REQUIRED FOR FUTURE FISCAL YEARS WILL BE BUDGETED IN THE APPROPRIATE FISCAL YEAR, SUBJECT TO BPC APPROVAL UPON ADOPTION OF EACH FISCAL YEAR'S BUDGET

WHEREAS, the San Diego Unified Port District (District) is a public corporation created by the legislature in 1962 pursuant to Harbors and Navigation Code Appendix 1, (Port Act); and

WHEREAS, the Board of Port Commissioners (BPC) adopted BPC Policy No. 110 to establish a policy governing the processing and administration of public projects, consulting and service agreements, the purchasing of supplies, materials, and equipment, and grants; and

WHEREAS, the District's Information Technology department has standardized on Cisco network, wireless, and datacenter compute equipment; and

WHEREAS, currently the District leverages 110 network switches, 150 wireless access points for a total of more than 600 Cisco components, across all District locations; and

WHEREAS, Cisco equipment requires Cisco's SmartNet support and maintenance subscription to ensure Cisco support engineers and parts replacements are available both for routine maintenance, and in an emergency; and

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WHEREAS, the proposed five-year maintenance agreement with financing through Asset Finance Group, Inc. provides the best pricing as it ensures subsequent support years are paid at current pricing levels; and

WHEREAS, for the current renewal, NTT America, Inc. has provided pricing on a five-year subscription, under the National Association of State Procurement Officials (NASPO) cooperative agreement, NASPO AR3227; and

WHEREAS, Asset Financial Group is providing the District with an annual payment plan through a zero-percent financing agreement for the full cost of the five-year subscription; and

WHEREAS, without the financing agreement, the five-year maintenance contract would be due upfront – \$669,820; and

WHEREAS, with the financing agreement in place, staff is able to present an option that smooths the expense over time – \$133,964 annually – and without a financial penalty; and

WHEREAS, staff recommends that the BPC authorize a purchase order to renew Cisco SmartNet services and the associated zero-percent financing agreement; and

WHEREAS, the proposed BPC action, including without limitation a resolution authorizing a purchase order with NTT America, Inc. for a five-year Cisco SmartNet maintenance agreement and an installment payment agreement with Asset Finance Group, Inc. to finance the purchase of Cisco SmartNet support services, does not constitute a project under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Section 15378 because there is not a potential to result in a direct or indirect physical change in the environment. Therefore, the proposed BPC action is not subject to CEQA and no further action under CEQA is required; and

WHEREAS, the proposed BPC action complies with Sections 21 and 35 of the Port Act, which allow the BPC to pass resolutions and to do all acts necessary and convenient for the exercise of its powers; and

WHEREAS, the Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine; consequently, the proposed BPC action is consistent with the Public Trust Doctrine; and

WHEREAS, the proposed BPC action does not allow for development, as defined in Section 30106 of the California Coastal Act, or new development, pursuant to Section 1.a. of the District's Coastal Development Permit Regulations. Therefore, issuance of a Coastal Development Permit or an exclusion finding is not required.

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NOW, THEREFORE, BE IT RESOLVED by the Board of Port Commissioners of the San Diego Unified Port District (BPC), as follows:

1. The BPC finds the facts recited above are true and further finds that it has jurisdiction to consider, approve and adopt the subject of this Resolution.

2. Based on the entire record available to the BPC and the findings set forth in this Resolution, the BPC finds that the proposed BPC action, including without limitation a resolution authorizing a purchase order with NTT America, Inc. for a five-year Cisco SmartNet maintenance agreement and an installment payment agreement with Asset Finance Group, Inc. to finance the purchase of Cisco SmartNet support services, does not constitute a project under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Section 15378 because there is not a potential to result in a direct or indirect physical change in the environment. Therefore, the proposed BPC action is not subject to CEQA and no further action under CEQA is required.

3. The BPC hereby authorizes and directs the Executive Director or their designated representative to award a Purchase Order with NTT America, Inc. for a five-year Cisco SmartNet maintenance agreement.

4. The BPC hereby authorizes and directs the Executive Director or their designated representative to enter into an installment payment agreement with Asset Finance Group, Inc. to finance the purchase of Cisco SmartNet support services.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL

By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 6th day of June 2025, by the following vote: