



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised: Feb. 2017)

Board Clerk Use Only

Meeting Date: _____
Agenda Item #: _____
Est. Start Time: _____
Date Submitted: _____

Agenda Title: RESOLUTION authorizing an internal loan from the Risk Management Fund to the Information Technology Fund in the amount of \$1,500,000 to provide funding for the renewal of a 5-year CISCO Enterprise License and Web-X Agreement.

Requested Meeting Date:	November 2, 2017	Time Needed:	10 Minutes
Department:	Department of County Assets	Division:	Information Technology
Contact(s):	Lisa Whedon		
Phone:	503-988-7580	Ext.	8-7580
		Email:	503/04
Presenters:	Bob Leek and Lisa Whedon		

General Information

1. What action are you requesting from the Board?

Authorization of an internal loan from the Risk Management Fund to the Information Technology Fund, Program Offer 78304 IT Telecommunications Services, for \$1.5 million to purchase a 5-year CISCO Enterprise License and Web-X Agreement. Renewal of the current Enterprise Agreement is required to maintain the countywide phone system operations.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer(s) this action affects and how it impacts the results.

As part of the Network Convergence project, which included the migration to a new phone system and integrated voice services into our single network, the county was required to purchase Cisco Unified Communications (UC) licensing which provides the county the right to use voice application server software, user licenses and soft clients integral to phone system

operation. Licensing was purchased under a 5-year agreement with a 5-year prepayment plan that offered significantly discounted pricing. The current license expires in October 2017.

The cost of the new Cisco Enterprise License Agreement is \$2,509,659. It includes an additional \$530,000 of products and services at no additional cost and an overall discount of 49% if payment is made in advance. It also offers the county the highest value, simplicity and flexibility. It covers software and subscription licenses that run on top of Cisco network infrastructure and provides the county with access to unlimited software products under this contract. This enhances research and development efforts as well as unexpected recovery situations.

3. Explain the fiscal impact (current year and ongoing).

The loan will provide \$1.5 million and the Information Technology fund will cover the remaining \$469,000 required in fiscal year 2018. The remainder, \$540,000, will be funded through the Information Technology fund beginning FY 2019 through FY 2022 at \$135,000 per year. Loan payments and future replacement costs will be included in future fiscal years beginning in Fiscal year 2019. Costs are recovered via internal service rates and the internal loan will be repaid according to the below amortization schedule:

Payment						
Date	Payment	Principal	Interest		Balance	
					\$	1,500,000
6/1/2019	\$ 313,175	\$ 291,425	\$ 21,750			1,208,575
6/1/2020	313,175	295,651	17,524			912,924
6/1/2021	313,175	299,938	13,237			612,986
6/1/2022	313,175	304,287	8,888			308,699
6/1/2023	313,175	308,699	4,476			-
Total	\$ 1,565,876	\$ 1,500,000	\$ 65,876			

4. Explain any legal and/or policy issues involved.

ORS 294.468 authorizes internal loans between funds for a period of up to ten years.

5. Explain any citizen and/or other government participation that has or will take place.

NA

Elected _____ /s/
 Official or
 Department
 Director: _____

Date: _____

Required Signature