

BEFORE THE METRO CONTRACT REVIEW BOARD

FOR THE PURPOSE OF DECLARING) RESOLUTION NO. 95-2064A
NOVELL NETWARE TO BE A METRO)
LOCAL AREA NETWORK STANDARD) Introduced by
AND THEREBY AUTHORIZING A SOLE) Executive Officer Mike Burton
SOURCE RELATIONSHIP WITH NOVELL)
[NETWARE] INC. PURSUANT TO STATE)
PRICE AGREEMENT NO. 3215.)

WHEREAS, Novell Netware has been considered a local area network standard for all of Metro, including MERC, since 1991; and

WHEREAS, the State of Oregon, as its contract review board, has declared State purchases of Novell Netware to be sole source procurements exempt from competitive bid; and

WHEREAS, the State of Oregon has established a Master License Agreement (MLA) with Novell which is exclusively for state agencies, but which the State will extend to Metro upon written request including a specific statement that Novell's Netware is a network standard for Metro; and

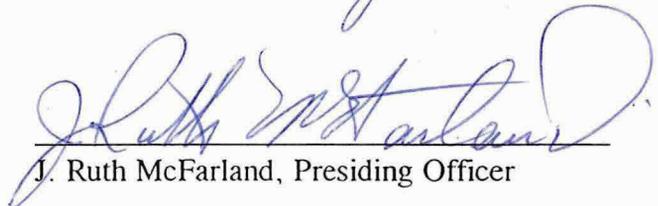
WHEREAS, purchases under State price agreements are automatically exempt from competitive bid pursuant to Metro Code Section 2.04.041; and

WHEREAS, it is unlikely that use of that MLA by Metro would significantly encourage favoritism or diminish competition for such network software, and there are natural potential savings in standardizing on one software manufacturer; utilizing existing volume pricing and executing a single Master Lease Agreement; now, therefore,

BE IT RESOLVED,

That the Metro Contract Review Board hereby declares Novell Netware to be a Metro [LAN] local area network standard thereby allowing the sole source procurement outlined above pursuant to State Price Agreement No. 3215, and authorizes the Executive Officer to execute the appropriate contract [documentation] documents with the State of Oregon [and Novell Network] to establish and document [that] the relationship with Novell Inc.

ADOPTED by Metro's Contract Review Board this 19 day of Jan,
1995.


J. Ruth McFarland, Presiding Officer



METRO

Date: January 12, 1995

To: Councilor Patricia McCaig

From: Donald E. Carlson, Council Analyst

Re: Resolution No. 95-2064 -- Authorizing Sole Source Services from Novell Inc.

I've reviewed the resolution and supporting materials for this item and discussed it with the Data Processing Staff. The immediate purpose of the contract is to acquire maintenance services for Metro's local area network operating system. As the Staff Report indicates we utilize Novell Inc.'s "Netware" software as the operating system for our computer network. It's a sole source contract because Novell is the only company which provides the maintenance services. The Finance Department has \$11,000 in it's Budget and Appropriation Schedule for this service. They cannot expend the funds without meeting the requirements of the State of Oregon to designate the Novell Netware as the local area network standard.

In discussions with Rich Wiley, Metro Contract Officer, Metro will acquire the needed goods and service through the Districts intergovernmental agreement with the State of Oregon. If problems are encountered with the vendor, the State will assist Metro in obtaining a remedy. The State requires that Metro declare Novell Netware as a local area network standard which essentially designates Novell, Inc. as the sole source vendor for these goods and services. Attached is a memo from Rich Wiley providing further information on this matter.

I've reviewed the resolution and suggest several changes to clarify what the Council is actually doing. The changes are shown in Resolution 95-2064A attached.

cc: Metro Council
Ann Clem
Rich Wiley



METRO

Date: January 12, 1995

To: Don Carlson

From: Rich Wiley 

Re: Master lease agreement available to Metro pursuant to State price agreement

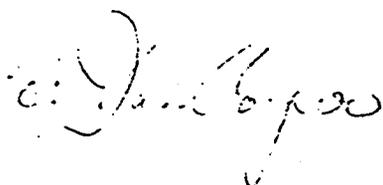
I've talked to the State buyer in charge of the master lease agreement. She told me that the State performed the following procedural steps:

- An assessment of the State's particular software needs;
- A survey of available software services;
- Documented that Novell software support was only available through Novell/Microdyne;
- Determined that their needs and market circumstances justified a sole source procurement pursuant to ORS 279.015(2)(a)(b);
- Issued a public notice of their finding and solicited any concerns or comments to the contrary.
- No public input to the contrary was received and they executed a master lease agreement with Novell, Inc./Microdyne, Inc.

Since we are a current member of the State Department of Administrative Services Purchasing Division's Cooperative Purchasing Program, the next step is to document that our circumstances are the same as the State's and the State will add us as a party to their agreement. The resolution before the Council is designed to accomplish that specific procedural step.

The State has had a very good experience with Novell and no problems are expected. But, if problems do occur, they will be pursued and resolved through the State.

Hope this adds the necessary background information. If not, let me know.



BEFORE THE METRO CONTRACT REVIEW BOARD

FOR THE PURPOSE OF DECLARING) RESOLUTION NO. 95-2064
NOVELL TO BE A METRO LOCAL)
AREA NETWORK STANDARD AND) Introduced by
THEREBY AUTHORIZING A SOLE) Executive Officer
SOURCE RELATIONSHIP WITH NOVELL)
NETWARE PURSUANT TO STATE PRICE)
AGREEMENT NO. 3215.)

WHEREAS, Novell Netware has been considered a local area network standard for all of Metro, including MERC, since 1991; and

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WHEREAS, purchases under State price agreements are automatically exempt from competitive bid pursuant to Metro Code Section 2.04.041; and

WHEREAS, it is unlikely that use of that MLA by Metro would significantly encourage favoritism or diminish competition for such network software, and there are natural potential savings in standardizing on one software manufacturer, utilizing existing volume pricing and executing a single Master Lease Agreement; now, therefore,

BE IT RESOLVED,

That the Metro Contract Review Board hereby declares Novell to be a Metro LAN standard thereby allowing the sole source procurement outlined above pursuant to State Price Agreement No. 3215, and authorizes the Executive Officer to execute the appropriate contract documentation with the State of Oregon and Novell Network to establish and document that relationship.

ADOPTED by Metro's Contract Review Board this _____ day of _____, 1995.

J. Ruth McFarland, Presiding Officer

STAFF REPORT

FOR THE PURPOSE OF DECLARING NOVELL NETWORK TO BE A METRO LOCAL AREA NETWORK STANDARD AND THEREBY AUTHORIZING A SOLE SOURCE RELATIONSHIP WITH NOVELL PURSUANT TO STATE PRICE AGREEMENT NO. 3215.

Date: 12/27/94

Presented By: Ann Clem

PROPOSED ACTION

Section 2.04.041(c) of the Metro Code allows the Contract Review Board, where appropriate, to exempt specific contracts from the general requirement for competitive bidding, and direct the use of alternate contracting and purchasing practices.

The Metro Code references ORS 279.015 as the basis for requiring that all public contracts be based upon competitive bid and sets forth a process by which the following findings will permit an exemption and allow execution of a sole source contract. The Board must find that:

- It is unlikely that the exemption will encourage favoritism in the awarding of public contracts or substantially diminish competition for public contracts; and
- The award of a public contract pursuant to the exemption will result in substantial cost savings to the public contracting agency.

FACTUAL BACKGROUND AND ANALYSIS

In 1991, the existing Metro local area network was established and at that time it was determined that Novell's Netware would be a local area network standard for the agency.

The State of Oregon has declared Novell Netware as a LAN standard and used the expression of the standard as a condition for a sole source class exemption to establish a pricing agreement with Novell called the Master License Agreement (MLA). That MLA agreement No. 3215 is exclusively for State agency use, except that the State will extend the MLA pricing to other state governments if they declared Novell to be a LAN standard (see agreement attached). The MLA offers volume pricing, node-based, rather than server-based, licensing, an automatic upgrade program and direct hotline support from Novell. Metro has a total of six servers running at the Regional Center, the Solid Waste sites and the Zoo with different versions of the Netware Operating System. The MLA would allow all servers to be upgraded to the same version of the operating system thereby allowing a single support person to administer the servers more easily.

BUDGET IMPACT

No change in the current budget is anticipated and if the proposed sole source contract is approved, potential savings are anticipated both now and in the future as Metro's software needs continue to grow.

EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends adoption of Resolution 94-2064 to waive competitive bidding of the MLA and allow execution of a sole source contract.

STATE OF OREGON
DEPARTMENT OF ADMINISTRATIVE SERVICES
PURCHASING DIVISION
PRICE AGREEMENT SUMMARY

COMMODITY CODE: 20437
BUYER NAME: M. LONGBAUGH (503) 378-4646

PA NUMBER: 3215
REVISION NUMBER: 004
EFFECTIVE DATE: 05/01/1994

ITEM: NOVELL NETWORK AND SUPPORT - MLA AGREEMENT

AGENCY: STATE OF OREGON AGENCIES AND AUTHORIZED
ORCPP MEMBERS

CONTRACTOR: NOVELL INC./MICRODYNE INC.
3601 EISENHOWER AVENUE
ALEXANDRIA VA 22304

TELEPHONE: (703) 329-3700 CONTACT: PHILLIP ROCLIFF

BRAND/TRADE NAME: NOVELL

PRICE: CONTACT AUTHORIZED RESELLERS/INTEGRATORS FOR COSTS

TERMS: NET 30
FOB: FOB DESTINATION

CONTRACT PERIOD: MAY 1 1993 THROUGH APR 30 1995

DAYS REQUIRED FOR DELIVERY: REFERENCE SUPPLEMENTAL INFORMATION
MINIMUM ORDER: NONE
TRANSPORTATION CHARGES: REFERENCE SUPPLEMENTAL INFORMATION
OTHER CONDITIONS: NON-STATE AGENCIES MUST BE FORMALLY
APPROVED BY THE PURCHASING DIVISION
TO BECOME A PARTY TO THIS SOLE SOURCE
MLA CONTRACT.

THIS REVISION HAS BEEN ISSUED TO LIST NEW CONTACT NAME & PHONE NUMBER
FOR MICRODYNE & TO REVISE THE LIST OF AUTHORIZED RESELLER/INTEGRATORS

THE STATE AGENCY OR AGENCIES LISTED ARE REQUIRED TO PURCHASE FROM THE
CONTRACTOR WHEN PURCHASING THE ITEMS LISTED IN THE PRICE SCHEDULE UNLESS
AN EXCEPTION IS INDICATED.

IF PRODUCTS OR SERVICES PURCHASED UNDER THIS CONTRACT ARE UNSATISFACTORY
ASSISTANCE MAY BE OBTAINED BY SUBMITTING A PURCHASING PERFORMANCE REPORT
(FORM NO. 125-3001) TO THE QUALITY ASSURANCE UNIT OF THE PURCHASING DIV.

THIS CONTRACT COVERS ONLY THOSE ITEMS LISTED.

DATE OF ISSUANCE: 05/18/1993
BID NO.: 10100001 93

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SUPPLEMENTAL INFORMATION

1. INTRODUCTION

Oregon state government has a Master License Agreement (MLA) with Novell. This agreement offers discount pricing, node-based licensing, an automatic upgrade program, and direct Novell hotline support.

The term agency used in this document refers to all state agencies and authorized non-state agencies. The MLA Agreement is non-exclusive for State agency use. The MLA pricing can be extended to authorized non-state agencies/governments (county, city, etc.). NON-STATE AGENCIES MAY ONLY USE THIS CONTRACT SUBJECT TO THE FOLLOWING PROVISIONS:

- a. They are a current member of the Department of Administrative Services Purchasing Division's Cooperative Purchasing Program; and
- b. They must submit, for advanced approval, a written request to become a party to the contract. The request must be mailed or faxed to the Department of Administrative Services Purchasing Division (reference Section 2.a.iii for contact person, address, etc). The request must contain the following information:
 - i. A statement declaring and documenting Novell's Netware as a local area network standard for their agency or jurisdiction;
 - ii. Contact person's name, address, telephone and facsimile numbers.
- c. The Purchasing Division will mail/fax a letter of acceptance to the non-state agency. This letter will authorize the non-state agency and the reseller/integrator to proceed with the contract.

Non-state agency's requests must be approved by the Department of Administrative Services before contract participation can be granted. The State declared Novell Netware a LAN standard, pursuant to its rule making role under ORS 291.038. The State used the expression of the standard as the basis for a sole source class exemption to enable it to establish a Master License Agreement with Novell. Because Oregon state government's standards do not extend to other non-state agencies/governmental bodies in Oregon, the only way our standards-based sole source contract can be extended legally to any other party is if they formally declare and document Novell Netware as a standard.

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The Department of Administrative Services Information Resource Management Division sees potential advantages for other non-state agencies/governments to file their network standards with Oregon state government. Our enterprise network will grow dramatically in the next several years. It may be beneficial for local and federal governments, that do business with Oregon state government, to establish standards and work with the state to make network services as predictable and universal as possible. For more information on the state's various standards and network plans, call the Department of Administrative Services Information Resource Management Division at 503-378-4126.

This Price Agreement Summary is designed to inform agencies of the process to find Novell products under this State of Oregon MLA. Contact names and other pertinent information are supplied. This Price Agreement Summary in no way modifies the signed agreement between Novell and the State of Oregon. Its purpose is to delineate the details necessary to implement this agreement. Agencies should acquire a complete copy of this MLA and all associated schedules from the Reseller/Integrator organizations listed in Section 5.

2. CONTRACT ADMINISTRATION

a. State Contract Administration

Three levels of administration are required to manage the State of Oregon MLA, Executive, Contract, and Location. The Executive level, in conjunction with the Department of Administrative Services Purchasing Division, coordinates contractual arrangements between Novell and the State of Oregon. The Contract level is responsible for day to day operations of the statewide contract. The location coordinators are at the agency level and deal with the specifics of ordering and installation of products.

In addition the State of Oregon has authorized Microdyne to be their agent for duplication and distribution of Novell products under this MLA.

i. Executive:

Ron Jones, of the Department Administrative Services Telcom Section, has been identified as the State's Executive Coordinator for this contract.

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ii. Contract:

Carl Grzybowski, of the Department Administrative Services Telcom Section, will be the State of Oregon Contract Coordinator. Novell's Contract Coordinator will be Al Viera from the Novell Portland Office.

Carl Grzybowski
State of Oregon
Department of Administrative Services Telcom Section
1225 SE Ferry Street
Salem, OR 97310
503-378-6633

Al Viera
Novell, Inc.
10220 SW Greenburg Road, Suite 100
Portland, OR 97223
503-293-8346

iii. Administrative Services:

Marleen Longabaugh, of the Department of Administrative Services Purchasing Division, will administer the Price Agreement Contract for the state.

Marleen Longabaugh, Purchasing Analyst
Department of Administrative Services
Purchasing Division
1225 SE Ferry Street
Salem, Or 97310
503-378-4646 (voice)
503-373-1626 (facsimile)

iv. Duplication and Distribution Services

Phillip Rocliff
Microdyne, Inc.
(703)329-3700 ext. 3210
Fax (703)739-1026

b. Location Coordinators

Each agency submitting a schedule C will select a Location Coordinator for the MLA from that agency. This person will have the right to order software and will coordinate the distribution and installation of these products.

c. Change of Coordinators

Novell's Coordinator (Al Viera) must be notified in writing of any change in the State of Oregon's coordinators, either at the Location level or Executive level.

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3. License

- a. Licensed Works
This MLA grants only a license to use Novell's software. Please refer to schedule H of the MLA for specifics of this licence.
- b. Conversion of Existing Novell Licenses
Agencies who have purchased Novell products can "grandfather" those licenses under the node-based licensing of the MLA. These existing nodes must be listed on the Novell Final Pricing Worksheet. There is no license fee charged but these nodes are subject to the annual maintenance fees. See Schedule G of the MLA for license and maintenance fees.
- c. Upgrades from Old Version Novell and Competitive Products
Conversion of existing Novell Licenses only applies to current versions of Novell Products. An agency can upgrade to the current version for a lesser license fee.

Competitive server based products, such as Banyan Vines and LAN Manager, can also be upgraded for this lesser fee. Pricing for these upgrades are listed on Schedule G.
- d. Documentation
No right to copy the documentation is given under the terms of the MLA. See Section 4 for directions on how to purchase additional sets of documentation.

4. Delivery of Software and Documentation

- a. Software Distribution
Novell will provide Microdyne one set of Master Software for each product licensed. These products and their pricing are listed Schedule G. The State has assigned these Masters to Microdyne for duplication and distribution to all agencies.

Copies of the software will be shipped to each agency by Microdyne for each Novell product listed on the agency's Schedule C Novell Final Pricing Worksheet. The order will be processed ONLY when accompanied by a fully completed Schedule C Order Form and a completed State of Oregon CRO. Completed forms should be submitted to The Reseller/Integrator organization of the agencies choice for processing.

Microdyne will charge the agency a nominal duplication fee (contact your Reseller/Integrator for the Microdyne Price list and Schedule C Order Forms).

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- b. Installation
State agencies can install copies of the software on workstations and servers, assuming they have purchased the appropriate license to use each product.
- c. Upgrades
Upgrades, when commercially available, shall be provided by Novell' sending Microdyne one set of Master Software per product. Microdyne will advise registered agencies of the availability and duplication costs. Agencies can then request, via CRO, copies of these upgrades.
- d. Request for Netware 4
Netware 4 has many wide area network implications. To promote an awareness of the statewide directory effort, before Microdyne will issue activation diskettes for Netware 4 servers, Microdyne will first validate that your group will be using registered organizational names and addresses. See the following section for information regarding IPX addresses.

Netware Directory Services (NDS) is a complex undertaking. The DAS Network Information Center (NIC) has published a directory planning guide to help you implement NDS in a enterprise-wide environment. In addition, the NIC installed a 4.01 Master Server on the WAN and established the Oregon Tree. The Master Server provides a timing synchronization service to all Netware servers on the WAN. Timing synchronization is critical to maintaining proper updates to replicated partitions of the directory. The NIC will create top level containers for agencies wanting to connect to the Oregon Tree. Groups not connecting to the tree should still coordinate naming conventions with the NIC.

For copies of the Planning Guide or information regarding organizational naming standards call Carl Grzybowski at 503-378-6633.

- e. IPX Address Registration: To help avoid network conflicts before they occur, we are asking you to use registered IPX addresses. During network integration, duplicate addressing can cause disruptions and data loss. To help assure unique network addresses, the DAS NIC has purchased a block of IPX addresses from Novell. These addresses are available to all government and educational agencies for free. Your agency should first estimate the number of IPX segments and servers you will have running two years from now. Then call Carl Grzybowski at 503-378-6633 to get a block of addresses for your use.

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f. Documentation

Novell has provided the State of Oregon five copies of the documentation for each licensed product. The copies have been distributed to the following locations:

Carl Grzybowski
DAS NOC
5th Floor Revenue Building
955 Center Street
Salem, Oregon 97310

Tami Williams
Multnomah ISD
4747 E Burnside
Portland, Oregon 97215

Troy Howe
Housing
1600 State Street
Salem, Oregon 97310

Jim Sanders
OECC
Dept. Ed
255 Capitol NE
Salem, Oregon 97310

John Osterhout
CSD Human Resources Building
500 Summer Street
Salem, Oregon 97310

Agencies can purchase additional copies from Microdyne for the prices listed in the Microdyne Documentation price list. Obtain these documents from your reseller/integrator.

g. Delivery Terms

Delivery of Master Software will be made FOB destination, agencies facility by Novell's carrier, ground only. All other freight arrangements will be prepaid and billed to each agency.

Microdyne will ship copies of Master diskettes freight prepaid to the agencies facilities, ground only. All other freight arrangements will be prepaid and billed to each agency.

5. Reseller/Integrators

Customers must nominate a Novell Authorized Reseller/Integrator from the list below for purposes of pre-sales support. This is accomplished on the Schedule C Order Form.

Applied Information Systems
Contact: Alan Lyles
(Portland)639-0777

Cascade Computer Maintenance
Contact: Gerry Woock
(Salem)581-0081

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Polar Systems
Contact: Michael Peach
(Portland) 775-4410

Precision Computer
Contact: Beth Seismore
(Portland) 234-4553

The Network Group
Contact: Adam Apalategui
(Eugene) 485-0895

Pre-sales support involves establishing a relationship between the Agency and Reseller. The Reseller would assist the agency in understanding Novell products and their benefits to that agency. This does not include systems design, installation, training, or after sales support. These services may be purchased separately from this MLA.

The Resellers will provide all associated MLA schedules and assist agencies in completing the Schedule C information accurately and understanding the concepts of the State MLA. They will also conduct semi-annual agency reviews of Schedule C information and assist the agencies in completing the Novell forms for this review.

6. Compensation

- a. Calculation of Fees
Fees are calculated on the Schedule C Novell Final Pricing Worksheet. The Reseller/Integrators listed in section 5 are available for assistance in completing this form.
- b. Payment of License Fees
Discounted License Fees calculated on Schedule C shall be due and payable by each agency within 30 days of the execution of the MLA or any new schedule C. MICRODYNE will invoice each agency separately and agency funds should be sent directly to MICRODYNE at the address indicated on the invoice. Novell has appointed Microdyne as the billing and collection agent for this contract.

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c. Payment of Maintenance Fees

Agencies shall pay an annual Discounted Maintenance Fee as calculated on schedule C. This fee shall be payable in quarterly installments, with the first payment being due and payable within 30 days of the execution of the MLA or new Schedule C and each payment thereafter being due within 10 days of the end of each calendar quarter. Microdyne will invoice each agency separately for maintenance.

7. Maintenance Agreement

a. Updates and Upgrades

Novell shall provide the agencies upgrades when they are commercially available. See Section 4.c for distribution information.

b. Hotline Support

The State of Oregon has selected the Unlimited Contact Support option of Schedule F of the MLA. This schedule shows the total number of incidents for the statewide maintenance dollars. An incident is a reported problem assigned a Novell incident number and is open until resolved or closed. There is no limit to the number of phone calls per incident.

These incidents will be handled as a statewide pool of incidents. Each agency is expected to use only those incidents appropriated to them. This is approximately one incident for every \$1,500 of annual maintenance. This will be governed by the honor system. Each agency should have only one contact who would use the Novell Hotline. Calls should be made to the hotline after the agency uses any other sources of resolution at their disposal. For information regarding this service, call Carl Grzybowski at 503-378-6633.

8. Confidentiality and Information Exchange

Novell, from time to time, will offer State of Oregon MLA customers the opportunity to attend special briefings on product strategies and directions. Non-disclosure agreements may need to be signed for each of these sessions as the non-disclosure section was eliminated from the State of Oregon's MLA.