

# IT Study

## San Mateo County Harbor District

### Prepared for:

Mr. Steven D. Miller, Esquire  
Hanson Bridgett LLP  
425 Market Street, 26<sup>th</sup> Floor  
San Francisco, CA 94105

### Report Prepared By:



---

Karen Rayment, MSEE, MBA, P.E., PMP  
Senior Consulting Engineer

### Reviewed By:



---

Caleb Scharf  
Principal IT Consultant

## Table of Contents

1. Introduction.....	3
2. Summary of Observations Based upon Information Provided by SMCHD .....	3
3. Background .....	6
4. Physical Inventory Audit and Documentation Reviewed .....	6
4.A. Physical Inventory of Current IT Equipment.....	6
4.B. Documentation Reviewed .....	7
5. Information Technology System Questionnaire and Responses.....	7
6. Review of Procurement Process without Requiring a Bid.....	10
Comments .....	10
San Mateo County Harbor District Ordinance Code (taken from SMCHD website verbatim):.....	11
2.35.060 Independent contractors. ....	11
2.35.090 Exceptions to bidding requirements.....	11
Appendix A: SMCHD Physical Equipment Audit on 21 April 2015 .....	12
Appendix B: SMCHD Purchasing Regulations .....	20

## 1. Introduction

CASE Forensics (CASE) was retained by Mr. Steven D. Miller, District Counsel for San Mateo County Harbor District (SMCHD) to perform a physical inventory of IT equipment, a review of records provided pertaining to the purchase of IT equipment, and to review the IT infrastructure needs and existing systems at SMCHD's three locations: Administrative Offices, Oyster Point Marina Harbormaster Buildings, and Pillar Point Harbor Buildings.

This report details the work performed by Karen Rayment, Senior Consulting Engineer for CASE, and the results of this study.

## 2. Summary of Observations Based upon Information Provided by SMCHD

After performing a physical inventory audit, and after reviewing the Contractor's Well Connected Office (or WCO) Invoices and description of work billed to SMCHD provided by SMCHD personnel, the following observations were made:

- 1) SMCHD has been, and still is, a stable-asset organization in recent years, that has neither increased nor decreased its inventory for lease (pleasure boat slips and commercial spaces). Lease inventory is a core revenue stream for this organization. Associated overhead costs include, but are not limited to, personnel costs, maintenance and repair costs, capital equipment expenditures, upkeep and scrap costs, facilities costs, and outsourced contractor and materials costs.

A scalable IT Program Plan that includes consideration for growth and expansion of the core business is not needed at this time. Many small, stable businesses do not have an IT Program Plan, scalable or not, simply because it is too expensive to keep, revise, document and administer a Plan where available inventory or services to create revenue are stable and well-known. When an IT system goes down or is problematic, it impedes business operations, and needs to be repaired or upgraded quickly. Most small business IT contractors are usually in reactive mode, trying to keep daily operations on track, rather than being deeply involved in long-term capital investment planning on a full-time basis.

The amount of time spent on long-term capital projects versus daily operations depends upon the agreement and communication between the hiring organization (SMCHD) and the IT Contractor (WCO in this case). It is challenging to perform both modes well in small business environments, especially if there are budget constraints and a limited number of trained personnel on staff. For both parties, it is important that reactions to Help Desk questions, customer-facing issues and complaints about unstable or broken equipment come first every day. This can be very disruptive to long-term planning and capital equipment projects.

Small businesses that outsource all IT functions, especially with a stable core earnings capability, normally conduct IT business on a responsive basis, rather than an aggressive, pro-active, long-term planning basis. This responsive basis is the state of the relationship between SMCHD and WCO, as documented by multiple open market brands in inventory, and as shown by the documented invoices provided to CASE where the bulk of the invoices show a lot of time spent on support.

The main responsibility, then, for small business IT contractors is to focus on the integrity of daily operations and quick response. When an IT system goes down or is problematic, it impedes business operations, and needs to be repaired or upgraded quickly.

Even with small businesses on a planned or unexpected growth trajectory, a formal IT Program Plan may be optional due to focused expenditures on core business assets such as increased inventory or adding head count. Typically, adding a few workstations or laptops as personnel come and go, or as technology changes, doesn't require a full IT Program Plan for small businesses.

Sometimes an IT Program Plan resides with an outside contractor. Sometimes there is no IT Program Plan simply because it is not part of the agreed-to services by the hiring agency.

For the purpose of this study, CASE has no knowledge of whether The Well Connected Office was asked to create an IT Program Plan or a long-term capital expenditure plan and roadmap. While some of the IT equipment in inventory at the time of this study may be overscaled or underscaled for the organization's customer and personnel needs; without understanding the reasons for purchase at the time of each purchase and commissioning, there is no way to tell whether mistakes were made by either party, or whether response time and budget were factors.

Most small businesses have some IT equipment that is either overscaled or underscaled for number of personnel on staff and for core business requirements- it is not unusual. The reasons that a few pieces of IT equipment may be overscaled or underscaled could be, but are not limited to, miscommunications by one or both parties, lack of understanding of the technology performance parameters by one or both parties, time constraints, budget constraints, access to information and equipment constraints, and other responsive issues that may occur during the normal course of operating a small business.

- 2) Generally speaking, the physical items in inventory were noted to be typical, off-the-shelf purchases, which anyone can buy on the open market. Only a few custom-built computers, and the boxed server at PPH are noted as exceptions. There is no reason provided for building custom hardware instead of purchasing open market hardware on the reviewed invoices, however, two common reasons for IT providing custom hardware rather than off-the-shelf hardware include, but are not limited to, the need for customized applications that off-the-shelf hardware cannot provide (such as less memory, or more storage) and cost. Customized hardware can be less costly than off-the-shelf hardware for some organizations.
- 3) Microsoft Windows is used across the organization as the organization's operating system.
- 4) Without an IT Program Plan documented and on file as the IT systems change, it is impossible to tell simply by doing a survey of Invoices and Inventory, when and why any changes to the overall organizational IT systems were made for both hardware and software changes. Common reasons for changes include vendors going out of business or discontinuation of a product or specific model group, upgrades in adjacent technology such that upgrades of physical hardware and connectivity are needed, service support (such as Comcast) requires upgrades of physical hardware or software, and facilities moves. Hardware also has a physical lifetime and some individual units may age more poorly than others.
- 5) The primary shared database is The Marina Program (TMP) and the primary objective of this shared database is to track which rental spaces are available, and which are rented, per each user lookup. More information is provided below in Section 5.

- 6) The Purchasing Regulations outlining both normal bid flow (quote-to-cash) process for SMCHD and the exceptions for Contractors and Aggregate Purchases not greater than \$5,000 seem to be general guidelines outlining the General Manager's latitude to conduct SMCHD business. These regulations may be ambiguous when it comes to ongoing IT outsourcing.
  - a. According to "2.35.060 Independent contractors" there should be an insurance certificate on file in keeping with the Labor Code, but CASE has no knowledge where the certificate is kept, or whether it was filed.
  - b. According to "2.35.090 Exceptions to bidding requirements" section D., IT equipment and software clearly fall under this category of "...for technical items or equipment requiring standardization and interchangeability of parts with existing equipment..." Clause E states the requirement (for a contractor excused from the bidding process) as, "...The aggregate cost of the supplies and equipment does not exceed five thousand dollars (\$5,000.00)."

For IT, as a completely outsourced service, this clause can be problematic as it does not state a time frame for the aggregate cost allowable without going through the standard bid process and is apparently left up to the General Manager's discretion.

Responding to viruses, denial of service attacks, blatant hacking, or other time-sensitive events can be labor-intensive for IT personnel, and these types of fast responses to preserve IT systems are mandatory.

- 7) During the physical inventory performed by CASE at the various SMCHD facilities, there was no sign of frivolous IT spending. All users had approximately the same types of equipment from approximately the same date range of manufacture, and all were relevant to their job functions. Most of the physical IT equipment audited ranged from 2010 – 2012, with the exception of a few computers or monitors which were purchased in 2013-2014 timeframe.

There was no impression or cursory evidence of IT equipment being used for anything other than conducting the normal process of core business. Indications of frivolous IT spending could include, but is not limited to, some personnel having more computing power than is needed for doing their jobs. Other indicators of frivolous spending may include replacing multiple machines at once just to do a gratuitous upgrade, buying several machines at once of the same vintage and brand, and then charging for setting up the multiple-machine purchase. There is no indication from the inventory audit and invoices that this has been happening.

The boxed, new server at PPH and the 8-way KVM switch in the server area at PPH were mentioned as a project for the expansion of IT infrastructure that had been on hold for many months. CASE has no knowledge of that project's details, who initiated the project, or why it was put on hold. It is reasonable that pieces of equipment are left in storage in as-received condition when projects are put on hold, especially if it is expected that Management will re-initiate the project. It also may be reasonable to return the items when Management clearly communicates that the projects are put on hold indefinitely. Investigating the reasons for the expenditures, the reasons for putting projects on hold, and the equipment choices made for these IT items was outside the scope of this study.

- 8) CASE conducted a very basic IT survey Questionnaire for the purpose of understanding the core business and user requirements only. The Questions and Answers recorded are not meant to guide the IT planning for SMCHD, or to be construed as all-inclusive for this type of survey. The Questionnaire and included answers, as annotated in this report in Section 5, could be expanded

upon to start a rudimentary tracking system for any facilities moves or to address any change in IT needs over time, but was intended only for general information gathering for this study.

### 3. Background

The San Mateo County (California) Harbor District operates two facilities – one at Oyster Point in South San Francisco, and the other in Half Moon Bay.

Oyster Point Marina (OPM) and Park provides approximately 600 recreational boat berths, both for long-term rentals and for daily rentals. There are facilities for pump-out, restrooms and showers, a guest dock, a launch ramp, a fuel dock, and a 300 foot fishing pier, to name a few amenities.

Pillar Point Harbor (PPH) provides approximately 370 berths - a combined location for both commercial and recreational watercraft. Harbor services include fuel and guest docks, a fishing pier, an RV lot, showers and restrooms, a laundry facility, a pump out facility, and a commercial fish buying center, to name a few of the amenities.

At the time of this report, the Administration Offices for both OPM and PPH was located near OPM, in an office building that overlooks San Francisco Bay.

### 4. Physical Inventory Audit and Documentation Reviewed

Access to all of the equipment listed in this report, and all of the documentation reviewed and referenced herein, was provided by SMCHD employees. CASE has no knowledge of any other IT equipment or any other documents than those provided, as documented in this study. CASE reserves the right to amend or revise this report, should new or revised information come to light, or should the Client require further work that falls outside the scope of this study, with budget and schedule to be negotiated by both parties, on a case-to-case basis.

#### 4.A. Physical Inventory of Current IT Equipment

Physical inventory of IT equipment was performed at the Oyster Point Administration building, the Oyster Point Marina Harbormaster building, the Oyster Point Marina Maintenance and Warehouse building, the Pillar Point Marina Harbormaster building, and the Pillar Point Marina Maintenance and Warehouse, located at the following addresses:

**SMCHD Administrative Offices**

400 Oyster Point Boulevard, Suite 300  
South San Francisco, CA 94080

**Oyster Point Marina Harbormaster Office & Warehouse**

95 Harbor Master Road, #1  
South San Francisco, CA 94080

**Pillar Point Harbor Offices & Warehouse**

1 Johnson Pier  
Half Moon Bay, CA 94019

The physical inventory lists that were compiled during on-site visits on 21 April 2015 are available in Appendix A of this report.

## 4.B. Documentation Reviewed

Documentation reviewed for the purpose of this study includes the online *SMCHD Purchasing Regulations, Chapter 2.35: Contracting and Purchasing Procedures*. Additionally, SMCHD administrative personnel provided Well Connected Office Invoices from 2010 through 2015 to date. No other information was provided as a basis for this report.

The *SMCHD Purchasing Regulations, Chapter 2.35: Contracting and Purchasing Procedures* have been included for reference in Appendix B of this report. These Purchasing Procedures were downloaded on 29 April 2015 from the SMCHD website:

<http://www.codepublishing.com/CA/SanMateoCountyHarborDistrict/>

Invoice documentation for IT Contractor, Well Connected Office (WCO), was provided by SMCHD for the purpose of this review. Observations after reviewing the provided WCO invoices include:

- WCO charged SMCHD \$75 per hour for all years, 2010-2015, without a rate increase for labor.
- The WCO invoices provided to CASE range from Calendar Years 2010 through present in 2015. Since the SMCHD Fiscal Year is from July 1 to June 30, the IT Contractor spending for the fiscal years, as itemized on the provided invoices, is summarized below:
  - July 1, 2010 – June 30, 2011: \$ 6,581.43
  - July 1, 2011 – June 30, 2012: \$ 61,364.01 (New Servers in mid-2012)
  - July 1, 2012 – June 30, 2013: \$ 42,638.50
  - July 1, 2013 – June 30, 2014: \$ 39,571.57
  - July 1, 2014 – Present, 2015\*: \$ 51,749.08 (New Firewalls Palo Alto Networks)
- \* Budget for FY14-15 as provided by SMCHD Personnel is \$56,500.
- There is no evidence of payments made in excess of the value of the IT equipment and software purchased from 2010-2015.
- Comparing the invoices provided to the physical inventory doesn't produce a one-to-one inventory validation. There are many items in use at various locations at SMCHD that are not on any WCO invoices. There are also a few items on WCO invoices that are no longer in inventory. This may be due to electronic waste disposal of the older or broken equipment. There is a free electronic waste disposal service for tenants of the building that houses the Administrative offices at Oyster Point. Tenants only need to bring the old or broken electronics to the lobby on given days during specified time ranges and the building managers dispose of the equipment. It is not clear whether specific electronic waste certificates of disposal are provided, or where they are kept if there are certificates on file.
- The WCO invoices provided to CASE by SMCHD personnel for the purpose of this study show that the costs were reasonable and in bounds with market prices, except for the WCO labor charge of \$75 per hour. The IT hourly rate of \$75 is low in the present market and the rate wasn't raised for the period of 2010-present. This is unusual since market rates for contractors tend to increase by a small percentage year-over-year.

## 5. Information Technology System Questionnaire and Responses

While CASE was on site to perform the physical inventory audit at the SMCHD Administration Offices, OPM, a brief questionnaire was presented to, and answered by Administrative personnel. The purpose of

the questionnaire presented is to assess the main purposes of using IT equipment, connectivity, and services during the course of normal business. The secondary purpose of the questionnaire was to better understand the criticality of various IT elements and the sensitivity of stored data and transmitted data.

The following questions are posed in large or small organizations, as general industry best practices, for understanding the needs for, and the structure of IT systems. The general answers to each of the questions are a summary of the Questionnaire responses that CASE received from Administrative personnel during this study, and are provided as an overview of the current IT infrastructure for SMCHD Operations.

The survey questions are listed below in bold text, and the answers CASE compiled by speaking with Administrative personnel are provided just below each question.

**1. Where does the IT organization fit into the overall organizational structure?**

A. There is no IT Manager, or full-time person on staff responsible for IT Help Desk services or Infrastructure decisions. The Human Resources Manager, who recently left SMCHD to pursue other career opportunities was in charge of making IT decisions prior to leaving.

**2. Number of IT personnel devoted to the following IT functions: Application Development and Maintenance; Computer Operations; Security Administration; Help Desk/PC Support; Network Administration; Training (user pool and IT personnel); Strategy and Planning.**

A: All IT functions are outsourced. In the past, the most tech-savvy person in the Administration was the Director of Finance, so sometimes the IT consultant did not have to come by on a service call if internal personnel could fix a problem.

**3. How many management-level people are included in the IT function? What are their positions?**

A. As above, only the HR Manager who left SMCHD in March of 2015 was directly responsible for IT management, in addition to other responsibilities in Human Resources.

**4. What is the annual budget for IT in the following areas: Hardware, Software, External Costs such as Customization of Software and Databases, Internal IT Benefits and Salaries, External Consultants?**

A. Process for setting the IT budget in the past included the Director of Finance asking the HR Manager what expenditures are expected for the upcoming year.

For FY14-15, the estimated budget is: \$4k for Commissioners; \$21k for Administration IT Budget; \$13k for OPM; \$18.5k for PPH.

**5. Does the organization use outside vendors for any of the standard IT functions needed, as follows: Data Center Management; Programming Support; Application System Support and Development; Data Entry; Network Management; Remote Access Administration?**

A. All IT functions are outsourced to the Well Connected Office.

**6. Systems Configurations, IT Capabilities, and Computer and Application Use Programs (based on both Personnel responses and CASE's survey of materials and inventory):**

- Win XP or Win 7 are dominant for users' computers, depending upon the age of the computers.
- Pending upgrades or migrations include Oyster Point Marina Harbormaster Building and Warehouse needing its own server because the Administrative Offices are moving in May 2015 to Half Moon Bay. Currently, the Harbormaster and Warehouse buildings are linked via antenna to



the General Manager's office at Oyster Point, due to the server in the Administration Building that will be vacated when Admin moves.

- The organization does not keep a high-level flowchart of application systems and interfaces.
- The organization never uses report customization for IT personnel and internal users, for instance fully-relational database reports with various search fields customized per user type.
- There is no formal IT training program for users.
- There are no plans for automating any of the current Operations functions or systems.
- SMCHD is connected to the Internet via Comcast Business service.
- Microsoft Outlook is used to provide Email and Calendar access.
- The network uses firewalls sold by Check Point Software Technologies Ltd.
- The marina slips include wireless internet access for the tenants via wireless routers at the dockside buildings. The tenants' wireless access points reside in either the Harbormaster buildings, the Marina Warehouses, or both.
- Primary business purposes for internet access include research for process and organizational improvement, webinars for training classes, and most often for purchasing requirements.
- The organization uses point of sale terminals where tenants and customers can pay their slip rental fees, pay for gas and diesel fuel, pay for sundries where they are sold. Tenants can also sign up for auto-pay where their slip fees are regularly debited from their online bank accounts.
- The organization primarily uses technology for purchasing needs, and to receive funds from tenants. They also keep records of available and rented boat slips and retail spaces, and they auto-debit slip fees from tenants' bank accounts. When rental slip fees are paid on the weekends, outside of normal Administrative business hours, the payment slips and credit card numbers are kept in a safe until Monday morning, then given to Accounting to update the transactions online.
- The Marina Program (TMP) database, with user interfaces displayed according to user access privileges, is a server-based, centralized database used to run the core business- boat slip rentals. Renting slips and retail spaces yields the core revenue stream for this organization.

The Finance Department has Administrator privileges for TMP. This is the main software used to track rental slips and associated financial transactions. All staff can look for available slips (read access), but only Finance Director, Accountant, Accountant Technicians, and the Harbormaster can change a rented slip to a vacant slip in the system, or a vacant slip to a rented slip designation, and apply payments to each slip (read-write access).

Only Finance personnel can change the structure of the database (root privileges, otherwise known as read-write-execute access), but they do not change the structure of the database since there is no expansion planned for either OPM or PPH, so the number of available rental spaces is static and stable through time.

- There is no disaster recovery plan for computer hardware and operations, as a written procedure that is taught to all personnel and kept on file. Having said that, there are tape backups evident in the Administration server room, and there is mention in the WCO invoices of VM ware being used, which means that both hardware and software environments can be “virtualized” or preserved across multiple evolutions of hardware platforms.
- There is no business recovery IT plan in place, as a written procedure, to resume business operations sequentially should a catastrophic event occur, to the knowledge of the personnel that completed this survey at the Administration offices. However, there is evidence of critical system battery backup units in the Administration offices that will hold up critical IT systems for a time, during an external power outage.
- There is no IT Department or Contractor that regularly does significant programming, and there is no separate Development, Quality Assurance, or Production environment. This is a landlord business for a static number of rental spaces, so the core business is not scaling for changing external market conditions, growing over time, or dynamic in nature.
- Access to TPM is around the clock, 365 days per year, since visitors stop by the Marinas on a daily basis and can rent some of the available slips as at a daily rental rate.
- Capacity planning and scalability are not factors in the IT strategy for this organization since the capacity for revenue, number of rentable slips, and number of full-time personnel needed has not changed in many years. The business revenue is limited by the number of rental spaces available.
- There was no formal, written IT policy that CASE had access to during this study. This lack of written formal IT policy is normal for most businesses regardless of size, especially businesses that are not focused on high-tech pursuits. SMCHD revenue is dependent upon leased spaces as core revenue, not on designing, developing, or producing high-tech products and/or services.

## 6. Review of Procurement Process without Requiring a Bid

The following sections of the Ordinance Code may be relevant to this study because the IT contractor Well Connected Office (WCO) provided software and services under the category of Independent contractor, and due to the contractor’s requirement to supply technical items and equipment requiring standardization and interchangeability of parts with existing equipment. See the comments below.

### Comments

- 2.35.060 Independent Contractors – this clause mentions that Independent Contractors hired by the SMCHD’s General Manager may be engaged without going through the specification and bidding process if the cost doesn’t exceed \$5,000 to the Harbor District, and if the Contractor files an insurance certificate with the District. CASE has no knowledge of this certificate or whether it was filed, or where it is stored if it was filed.

## **San Mateo County Harbor District Ordinance Code (taken from SMCHD website verbatim):**

### **2.35.060 Independent contractors.**

The General Manager shall have the duty to engage independent contractors to perform sundry services for the District and the offices thereof, with or without the furnishing of materials, when the aggregate cost does not exceed the amount of five thousand dollars (\$5,000.00). Any engagement exceeding the amount of five thousand dollars (\$5,000.00) shall come before the Board of Harbor Commissioners for approval. Such arrangements may be made without the formality of preparing specifications or obtaining bids. Said independent contractors shall file with the General Manager a certificate that they are insured pursuant to the worker's compensation provisions of the Labor Code. [Amended through codification process of 1995, Ord. 74-96. Code 1996 § 2.7.6; prior code § 4.106.]

### **2.35.090 Exceptions to bidding requirements.**

Subject to the approval of the General Manager of the District, bidding requirements shall not be required under the following circumstances:

A. Supplies and equipment are being purchased from agencies of the Federal or State government or through the purchasing department of the County of San Mateo;

B. The material or service to be procured is available from only one (1) source or firm;

C. The contract is for personal or professional services or for any service to be rendered by a university, college or other educational institution;

D. Purchases are for highly perishable materials or medical supplies, for material or services where the prices are established by law, for technical items or equipment requiring standardization and interchangeability of parts with existing equipment, for experimental, developmental or research work, for supplies purchased for authorized resale, and for technical or specialized supplies requiring substantial initial investment for manufacture;

E. The aggregate cost of the supplies and equipment does not exceed five thousand dollars (\$5,000.00).

[Amended through codification process of 1995, Ord. 74-96. Code 1996 § 2.7.9; prior code § 4.109.]

## Appendix A: SMCHD Physical Equipment Audit on 21 April 2015

### SMCHD IT Physical Equipment Audit

DATE OF PHYSICAL AUDIT: 21 April 2015

ADDRESS: SMCHD Administration Offices; 400 Oyster Point Blvd., Suite 300, South San Francisco, CA 94080

CONTACT PERSON AT THIS SITE: Debbie Nixon

CONTACT PERSON – EMAIL: DNixon@SMHarbor.com CONTACT PERSON – PHONE NUMBER: (650) 583-4400

#### **SPACES AUDITED AT THIS ADDRESS:**

- 1) Conference Room
- 2) Reception Desk and Printer Area
- 3) Human Resources Manager Office
- 4) Director of Finance Office
- 5) Accountant Office
- 6) General Manager Office
- 7) Server Room
- 8) File Storage Room
- 9) Administration Desk (Temporary Administrator)
- 10) Accounting Specialist Desk

<b>Room: Conference Room</b>	<b>Mfgr</b>	<b>Model #</b>	<b>Serial #</b>	<b>NOTES</b>
Laptop Computer	Lenovo	Thinkpad	423923U	Used for meeting slides
Phone	Polycom	Soundpoint IP 550		
<b>Room: Reception Desk</b>	<b>Mfgr</b>	<b>Model #</b>	<b>Serial #</b>	<b>NOTES</b>
Workstation Computer	LG/Asus	(Intel i5)	1612316200930	
Phone	Polycom	WX500	1668-44505-001 rD	
Printer	HP	CP2025 Color Laser	CNGSC57764	
Mailing/Postage Center	Pitney Bowes	Connect+ 2000	MSF2 0015847	
Fax/Copy/Scanner	Konica Minolta	BizHub c454e	A3EPWY1171825	
(2) Computer Monitors	Asus	VS228	Color LED Monitors	
Computer Keyboard	Logitech	MK700/710		
<b>Room: HR Manager Office</b>	<b>Mfgr</b>	<b>Model #</b>	<b>Serial #</b>	<b>NOTES</b>
Workstation Computer	LG/Asus	(Intel i5)	16123136100324	
Phone	Polycom	Soundpoint IP 550		
(2) Computer Monitors	ViewSonic	VS14822	T8L122901539 and T8L122901514	
Computer Keyboard	Logitech	MK700/710		
Printer	HP	CM1312nfi Color Laser	CNB336C5J5X	
Workstation Computer	Dell Precision	T1500	2SZ0QL1	Manufactured in 2010
Computer Keyboard	Dell	L100		
<b>Room: Director of Finance</b>	<b>Mfgr</b>	<b>Model #</b>	<b>Serial #</b>	<b>NOTES</b>
Printer	Brother	HL-53	U62248E0J621608	
(2) Computer Monitors	Samsung	SyncMaster 2243		
Phone	Polycom	Soundpoint IP 550		
<b>Room: Accountant Office</b>	<b>Mfgr</b>	<b>Model #</b>	<b>Serial #</b>	<b>NOTES</b>
Battery Backup Unit	APC	RS 900		
(2) Computer Monitors	Dell	<Asian Characters>		
Printer	Brother	HL-54	U63081K2N227441	
Phone	Polycom	Soundpoint IP 550		
Workstation Computer	Fractal Design	Intel i7		
Computer Keyboard	Logitech	K520		

<b>Room: General Manager</b>				
	<b>Mfgr</b>	<b>Model #</b>	<b>Serial #</b>	<b>NOTES</b>
Computer Monitor	LG	Flatiron E2742V	206NDMT83635	
Laptop Computer	Lenovo	ThinkPad	Win7/Intel i5	
Phone	Polycom	Soundpoint IP 550		
Computer Keyboard	Dell			
Laptop Docking Station	Lenovo	75Y5735		
Wireless Router	Netgear	WGR614	1A43677B15C22	
Printer	HP	Laserjet 100 MFP		
Wireless Station/Antenna	EnGenius	ENS500		
Phone Adapter/Router	Linksys (Cisco)	SPA2102		
<b>Room: Server Room</b>				
	<b>Mfgr</b>	<b>Model #</b>	<b>Serial #</b>	<b>NOTES</b>
Computer Monitor	Asus	HDMI		
Cat 5 Ethernet Patch Panel	Optima	Cat 5 Ethernet		
Switch	Cisco	SG300-28P		PoE Managed Switch
Cable Modem	SMC Networks	SMCD3G-CCR		
VPN, Firewall Edge Router	Check Point	UTM-1		
Digital Voice Mail System	Nortel Networks	Call Pilot		Phone System Equipment
(2) Trunk Cartridges	Nortel Networks	LS/DS NT7B75G93		Phone System Equipment
Computer Monitor	Samsung	SyncMaster 710N		
Battery Backup Unit	APC	RS 900		
(6) Workstation Computers	Dell	Assorted Models		Stored in server room
Workstation Computer	Dell	Precision T3400		Running, in server rack
Battery Backup Unit	APC	SC 1000 Rack		Running, in bottom of rack
4-Port KVM Switch	Air Link	101		
LCD Monitor w/keyboard	i-Tech	RKP217d (2U)		Server monitor/keyboard
Server SAS Hard Drives	Dell	500Gb, 7.2k		Rack with 2.5 Tb storage space
Tape Backup Autoloader	Dell	124t Power Vault		Tape backup system
DVD Burner/Backup Unit	Dell Rack Mount	Generic RW Drive		

(2) Phones	Polycom	Soundpoint IP 550		Spare, stored telephones
<b>Room: File Storage</b>				
Gigabit Ethernet Switch	Dell	PowerConnect 2748		
(2) Workstation Computers	Dell	Various		Stored
<b>Room: Harbormaster Admin</b>				
Computer Monitor	Hyundai	L70S	L71SEBS951901450	
Computer Monitor	Samsung	SyncMaster 2243	Z1IAHCGSC07393M	
Computer Keyboard	Dell	L100		
Workstation Computer	Dell	Optiplex 380		
Workstation Computer	Dell	Dimension E520		
Phone	Polycom	Soundpoint IP 550		
<b>Room: Harbormaster Admin</b>				
Phone	Polycom	Soundpoint IP 550		
Computer Keyboard	Dell	SK-8115		
(2) Computer Monitors	Dell	No Model Found		
Workstation Computer	No Markings	No Model Found		
Printer	Brother	HL-54	U63081K2N227442	

DATE OF PHYSICAL AUDIT: 21 April 2015

ADDRESS: SMCHD Harbormaster Offices; 95 Harbormaster Road, #1, South San Francisco, CA 94080

CONTACT PERSON AT THIS SITE: Debbie Nixon

CONTACT PERSON – EMAIL: DNixon@SMHarbor.com CONTACT PERSON – PHONE  
NUMBER: (650) 583-4400

**SPACES AUDITED AT THIS ADDRESS:**

- 1) Harbormaster Office
- 2) Harbormaster Administration Office
- 3) Assistant Harbormaster Office
- 4) Network Closet
- 5) Lunch Room in Warehouse/Maintenance Building OPM
- 6) Warehouse/Maintenance Office

<b>Room: Harbormaster Office</b>	<b>Mfgr</b>	<b>Model #</b>	<b>Serial #</b>	<b>NOTES</b>
Switchboard Phone	Vodavi	Triad	SBD026078	
Phone	Starplus	TR9015-71		
Computer Monitor	Polycom	Soundpoint IP 550		
Computer Keyboard	Asus	VE248		
Laptop Docking Station	Dell			
	Lenovo	Mini-Dock		
	Thinkpad	3 4337		
<b>Room: Harbormaster Admin</b>	<b>Mfgr</b>	<b>Model #</b>	<b>Serial #</b>	<b>NOTES</b>
Workstation Computer	Custom	Tower	Cooler Master	RC100KKP31103000152
Business Center Printer	Xerox			Printer/Fax/Copier 8600 Series
Printer	HP	Office Jet Pro		
Phone	HP	Laser Jet P3005d		
Switchboard Phone	Polycom	VVX 500	0004F282A419	
(2) Computer Monitors	Vodavi	Triad	SBD026022	
Phone Adapter/Router	Starplus	TR9015-71		
Battery Backup Unit	Asus	VE248		
	Linksys (Cisco)	SPA2102	FM500L663229	
	APC	RS 900		
<b>Room: Assistant Harbormaster</b>	<b>Mfgr</b>	<b>Model #</b>	<b>Serial #</b>	<b>NOTES</b>
Switchboard Phone	Vodavi	Triad	SBD026096	
Computer Monitor	Starplus	TR9015-71		
Phone	Dell	E2210Hc		
Computer Keyboard	Polycom	Soundpoint IP 550		
Workstation Computer	Dell	SK-8115		
	Dell	Optiplex 380	BDCSQL1	
<b>Room: Network Closet</b>	<b>Mfgr</b>	<b>Model #</b>	<b>Serial #</b>	<b>NOTES</b>
Motorola Master Controller	Moto	MC3100	SU9C32010016	
Networked Phone Cabinet	Vodavi	5000-00	SBE011645	
Router	Cisco	Comcast Service		
Gigabit Ethernet Switch	Cisco	SG 200-26P	DNI153303NS	
Telephony Cable Modem	Arris	TM608G	558NPCDG476956	VoIP Router - Comcast
Battery Backup Unit	APC	RT 1500	QS1315141257	SURTA1500XL
<b>Room: Warehouse Lunch Room</b>	<b>Mfgr</b>	<b>Model #</b>	<b>Serial #</b>	<b>NOTES</b>
Phone	Polycom	Soundpoint IP 550		



Room: Maintenance Office	Mfgr	Model #	Serial #	NOTES
Printer	HP	Office Jet 6600	CN26D2B018	
Printer	HP	Photosmart		
High-power Router	Open Mesh	OM2P-HS	12A295808	
Phone	Polycom	Soundpoint IP 550		
Answering Machine	AT&T	E5908		
Computer Monitor	Dell	Generic		
Computer Keyboard	Dell	SK-8115		
Workstation Computer	Dell	Precision T3400		

DATE OF PHYSICAL AUDIT: 21 April 2015

ADDRESS: SMCHD Pillar Point Harbormaster Offices; 1 Johnson Pier; Half Moon Bay, CA 94019

CONTACT PERSON FOR THIS SITE AUDIT: Debbie Nixon

CONTACT PERSON – EMAIL: DNixon@SMHarbor.com CONTACT PERSON – PHONE  
NUMBER: (650) 583-4400

**SPACES AUDITED AT THIS ADDRESS:**

- 1) Administrative Office
- 2) Assistant Harbormaster Desk 1
- 3) Stored Server, New in Box
- 4) Server Area
- 5) Acting Harbormaster Office
- 6) Assistant Harbormaster Desk 2

Room: Administrative Office	Mfgr	Model #	Serial #	NOTES
(2) Computer Monitors	Asus			
Switchboard Phone	Nortel Networks	T7316E	NNTM74XT1FER	
Phone	Polycom	WX500		
Computer Keyboard	Logitech	820-003463	SY201UK	
Battery Backup Unit	APC	Pro 650		
Workstation Computer	LG	Not Marked		
Room: Harbormaster Office	Mfgr	Model #	Serial #	NOTES
Phone	Polycom	Soundpoint IP 550		
Phone	Nortel Networks	T7316E		
Room: Boxed Server	Mfgr	Model #	Serial #	NOTES
Athena Power 3U Case	Athena Power	RM- 3UD365R808		PO #2731202 on box
Server Motherboard	Asus	Z9PE-D16		
(4) 16Gb Server Memory	Wintec	20-161-580	800953181685	
iKVM Management Chip	Asus	ASMB6-iKVM		
Room: Server Area	Mfgr	Model #	Serial #	NOTES
Server	Dell	PowerEdge 2950		
Battery Backup Unit	APC	AP9630	AS1314241300	
KVM Switch – 8 Port	Tripp-Lite	B040-008-19	FGQGVH1	
Printer-Copier	Konica Minolta	FK-511	A5C0011014344	BizHub
Gigabit Ethernet Switch	Cisco	SG200-26P	DNI153303N3	
Firewall	Check Point	UTM-1 Edge NW		
Mailing Machine	Pitney Bowes	DM125/DM225	1944077	
Room: Acting Harbormaster's	Mfgr	Model #	Serial #	NOTES
Phone	Nortel Networks	T7 316E	NNTMENJ3307F	
Phone	Polycom	Soundpoint IP 550		
Computer Monitor	ViewSonic	VA2448M-LED		
Computer Monitor	Dell	E2210HC	CN-0H265R-64180	
Battery Backup	APC	PRO 650		
Workstation Computer	Asus	Not Marked	16128130301841	
Computer Keyboard	Logitech	K330		
Room: Lead Maintenance	Mfgr	Model #	Serial #	NOTES

Phone	Polycom	Soundpoint IP 550	
Phone	Nortel Networks	T7 316E	NT8B27JAAA
Computer Monitor	Samsung	SynchMaster 710N	MJ17H9NX401050L
Computer Keyboard	MicroSoft	KC-0405	7619800820288
Battery Backup	APC	PRO 650	
Workstation Computer	Dell	Optiplex 380	

<b>Room: Front Desk</b>				
	<b>Mfgr</b>	<b>Model #</b>	<b>Serial #</b>	<b>NOTES</b>
Point of Sale - Credit Card	Verifone	VX520	281-749-490	Pay station for boat slips
Computer Monitor	Dell			
Phone	Nortel Networks	T7316E	NT8B27JAAA	
Phone	Polycom	Soundpoint IP 550		
Workstation Computer	Dell	Optiplex 360	BD8PQL1	
Computer Keyboard	Dell	L100	CN-ORH65973571	

<b>Room: Crew Desk</b>				
	<b>Mfgr</b>	<b>Model #</b>	<b>Serial #</b>	<b>NOTES</b>
Computer Monitor	Philips	190CW7CS/27	BZ5A0650313488	
Computer Keyboard	Logitech	MK320	SY301UK	
Phone	Nortel Networks	T7316E		
Phone	Polycom	Soundpoint IP 550		
Workstation Computer	Dell	Precision T3400		

<b>Room: Maintenance Bldg.</b>				
	<b>Mfgr</b>	<b>Model #</b>	<b>Serial #</b>	<b>NOTES</b>
Workstation Computer	Dell	Precision T3400		
Phone	Polycom	Soundpoint IP 550		
Computer Monitor	Dell	No Marking		
Computer Keyboard	Logitech	K330		

## Appendix B: SMCHD Purchasing Regulations

### Chapter 2.35

#### CONTRACTING AND PURCHASING PROCEDURES

Sections:

- [2.35.010](#) Construction or repair contracts – Procedure.
- [2.35.020](#) Requests for proposals.
- [2.35.030](#) Purchases for District.
- [2.35.040](#) Purchase procedure.
- [2.35.050](#) Disposal of unneeded District property.
- [2.35.060](#) Independent contractors.
- [2.35.070](#) Criteria for determining lowest responsible bidder.
- [2.35.080](#) Policy to provide maximum open and free competition.
- [2.35.090](#) Exceptions to bidding requirements.
- [2.35.100](#) Remedies, sanctions and penalties.

#### **2.35.010 Construction or repair contracts – Procedure.**

A. Construction and repair contracts shall be let in accordance with the general law and shall be let only after public bidding whenever the cost exceeds five thousand dollars (\$5,000.00), except that work consisting solely of new construction is required to be awarded upon competitive bidding only if it exceeds in cost the sum of ten thousand dollars (\$10,000.00).

B. Whenever such contracts are let by public bidding, the Board of Harbor Commissioners shall adopt plans, profiles, cross sections, specifications, and other contract documents, including a form of agreement, which contract documents shall have first been approved by the District's attorney, and shall issue a call for sealed bids, notice of which shall be caused to be published by the General Manager as required by law but at least two (2) consecutive times prior to the date set for opening bids, in a daily newspaper of general circulation printed and published in the County and designated by the Board, or for at least two (2) consecutive times prior to such date in a weekly newspaper printed and published in the County and designated by the Board.

C. All bids for construction and/or repair shall be publicly opened by the General Manager of the District and the contract shall be awarded to the lowest responsible bidder; provided, that in any case the Board may reject all bids and advertise for new bids.

D. The District Engineer shall make his or her recommendation to the Board of Harbor Commissioners as to the award of any such contract, prior to Board action thereon. Upon the complete execution of the contract, the

original thereof, together with the original bonds and certificates, shall be filed in the business office of the District. [Amended through codification process of 1995, Ord. 74-96. Code 1996 § 2.7.1; prior code § 4.101.]

#### **2.35.020 Requests for proposals.**

A. Before the District enters into independent contracts for engineering services, architectural services, management consultants or similar one (1) time professional assistance to accomplish specified projects, requests for proposals shall be obtained if the expense of the contract is estimated to exceed five thousand dollars (\$5,000.00). The request for proposal shall be in accordance with administrative procedures promulgated by the General Manager.

B. The Board of Harbor Commissioners may waive any of the provisions of this chapter which require requests for proposals in any situation where the Board of Harbor Commissioners determines that the best interest of the District would be served without the necessity of requests for proposals. [Amended through codification process of 1995, Ord. 74-96. Code 1996 § 2.7.2; prior code § 4.102.]

#### **2.35.030 Purchases for District.**

It shall be the duty of the General Manager to acquire by purchase, lease, lease-purchase, or other suitable method all personal property including, but not limited to, all stationery, clothing, first aid supplies, equipment, machinery, motor vehicles, materials and supplies required by any manager, when such manager shall make requisition upon him a requisition form prepared and furnished by the General Manager, subject to such approval process as may be required by the purchasing policy of the District. [Amended through codification process of 1995, Ord. 74-96. Code 1996 § 2.7.3; prior code § 4.103.]

#### **2.35.040 Purchase procedure.**

A. The General Manager shall, upon receipt of a requisition properly drawn, signed and approved, determine the manner of acquisition, i.e., purchase, lease-purchase, or other; the cost and the supplier of the requested item or items pursuant to the following provisions:

1. The purchase requisition, together with the copies thereof, shall be transmitted to the District's Financial Officer or his or her designee, for proper budget checking and for the certification that sufficient funds are available to meet the cost of the articles proposed to be acquired.

2. Upon receiving the purchase requisition from the Financial Officer or his or her designee, the General Manager shall sign and issue to the supplier a purchase order directing the delivery of the articles specified therein at the price named therein to the facility requisitioning same. Each

purchase order except an open purchase order written against an existing contract or agreement shall be signed by the General Manager or his or her designee.

3. If the estimated cost of the acquisition does not exceed the sum of five thousand dollars (\$5,000.00), the General Manager may acquire the property requisitioned in the manner he or she deems most suitable; however, shall always seek and solicit competitive pricing. For purposes of this section, a lease or lease purchase shall be deemed not to exceed five thousand dollars (\$5,000.00) if the aggregate of the lease payment does not exceed five thousand dollars (\$5,000.00) per year and the lease term does not exceed three (3) years.

4. The General Manager shall, whenever the cost of a proposed acquisition of personal property exceeds the sum of five thousand dollars (\$5,000.00) and is less than fifteen thousand dollars (\$15,000.00), obtain written bids from vendors of such personal property. The General Manager may solicit the bids by advertisement, telephone, letter or in any other manner which obtains at least three (3) bidders, qualified to provide the required personal property at competitive pricing.

5. The General Manager shall, whenever the cost of a proposed acquisition of personal property exceeds the sum of fifteen thousand dollars (\$15,000.00), advertise and solicit sealed bids for the procurement of said property. A notice to bidders shall be published in such cases at least once in a newspaper of general circulation published and printed in the County of San Mateo and bids shall not be opened nor shall the proposed acquisition be made by the General Manager until at least two (2) weeks after publication. Bids shall be opened at the time specified in said notice, and bids received after such time shall not be opened or otherwise be given consideration with respect to such proposed acquisition. Whenever articles of personal property are referred to by a specific mark or brand name, the General Manager shall give notice in the publication referred to that articles of equal value, utility, or merit will be considered. Nothing contained in this subsection shall preclude the District from waiving any informality in such written bids nor preclude said District from rejecting any and all of such bids and determining not to acquire the said personal property.

6. In the event that the General Manager receives no bids as provided for in this section and the subject matter of the bid is an item essential to the continued operation of the District in preserving the public peace, health and/or safety, the General Manager shall immediately request and obtain the Board of Harbor Commissioners' approval to negotiate the acquisition of the essential supplies on the best terms available.

7. Upon request by the General Manager, the Board of Harbor Commissioners may waive any of the provisions of this section which require competitive bidding in any situation where the Board of Harbor Commissioners determines that the best interest of the District would be served without the necessity of competitive bidding.

B. The General Manager shall prepare written procedures concerning the purchase and procurement of supplies and materials for the guidance of managers and employees to ensure compliance with this chapter. [Amended during 2014 recodification; amended through codification process of 1995, Ord. 74-96. Code 1996 § 2.7.4; prior code § 4.104.]

**2.35.050 Disposal of unneeded District property.**

Whenever any item of District personal property is, in the opinion of the General Manager, surplus and no longer needed by the District, the General Manager may sell, by sealed bid or public auction, or otherwise dispose of such property and pay the proceeds into the District treasury. However, if the estimated value of such surplus property exceeds, in the opinion of the General Manager, the sum of ten thousand dollars (\$10,000.00), the General Manager shall first report such fact to the Board of Harbor Commissioners and obtain the Board of Harbor Commissioners' approval prior to any disposition of such property. [Amended through codification process of 1995, Ord. 74-96. Code 1996 § 2.7.5; prior code § 4.105.]

**2.35.060 Independent contractors.**

The General Manager shall have the duty to engage independent contractors to perform sundry services for the District and the offices thereof, with or without the furnishing of materials, when the aggregate cost does not exceed the amount of five thousand dollars (\$5,000.00). Any engagement exceeding the amount of five thousand dollars (\$5,000.00) shall come before the Board of Harbor Commissioners for approval. Such arrangements may be made without the formality of preparing specifications or obtaining bids. Said independent contractors shall file with the General Manager a certificate that they are insured pursuant to the worker's compensation provisions of the Labor Code. [Amended through codification process of 1995, Ord. 74-96. Code 1996 § 2.7.6; prior code § 4.106.]

**2.35.070 Criteria for determining lowest responsible bidder.**

Criteria to determine the acceptability of bids on construction contracts requiring public bidding and involving an expenditure of five thousand dollars (\$5,000.00) or more shall include, but not be limited to, the following:

A. Certification that the bidder is in compliance with laws prohibiting discrimination; and

B. Certification that the bidder is in compliance with the requirements of all Federal and State laws relating to employment; and

C. Certification that the bidder is in compliance with the provisions of this chapter and any other requirements adopted by the Board of Harbor Commissioners implementing them. [Amended through codification process of 1995, Ord. 74-96. Code 1996 § 2.7.7.]

**2.35.080 Policy to provide maximum open and free competition.**

All procurement transactions, regardless of whether negotiated or advertised and without regard to dollar value, shall be conducted so as to provide maximum open and free competition. Positive efforts shall be made by the District to utilize San Mateo County businesses and sources of supplies and services and every effort shall be made to allow such sources maximum feasible opportunity to compete for contracts with the District. [Amended through codification process of 1995, Ord. 74-96. Code 1996 § 2.7.8; prior code § 4.108.]

**2.35.090 Exceptions to bidding requirements.**

Subject to the approval of the General Manager of the District, bidding requirements shall not be required under the following circumstances:

A. Supplies and equipment are being purchased from agencies of the Federal or State government or through the purchasing department of the County of San Mateo;

B. The material or service to be procured is available from only one (1) source or firm;

C. The contract is for personal or professional services or for any service to be rendered by a university, college or other educational institution;

D. Purchases are for highly perishable materials or medical supplies, for material or services where the prices are established by law, for technical items or equipment requiring standardization and interchangeability of parts with existing equipment, for experimental, developmental or research work, for supplies purchased for authorized resale, and for technical or specialized supplies requiring substantial initial investment for manufacture;

E. The aggregate cost of the supplies and equipment does not exceed five thousand dollars (\$5,000.00). [Amended through codification process of 1995, Ord. 74-96. Code 1996 § 2.7.9; prior code § 4.109.]

**2.35.100 Remedies, sanctions and penalties.**

All contracts for the District shall contain such contractual provisions or conditions which will allow for administrative, contractual or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate. [Code 1996 § 2.7.10; prior code § 4.110.]