



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: AUGUST 14, 2018

FROM: INNOVATION AND TECHNOLOGY DEPARTMENT WARDS: ALL

SUBJECT: MEASURE Z – REJECT BIDS FOR BID NO. 7577; AUTHORIZE PURCHASE OF TEN DELL POWEREDGE SERVERS FROM DELL, INC., THROUGH THE NASPO VALUEPOINT COOPERATIVE PURCHASING AGREEMENT WN03AGW, IN THE AMOUNT OF \$167,914.41, PURSUANT TO PURCHASING RESOLUTION 23256, SECTION 602 (E)

ISSUES:

Reject all bids for Bid No. 7577 and authorize the procurement of ten Dell PowerEdge servers from Dell, Inc., of Round Rock, Texas, through the NASPO ValuePoint Cooperative Purchasing Agreement WN03AGW, in the amount of \$167,914.41, pursuant to Purchasing Resolution 23256, Section 602 (e).

RECOMMENDATIONS:

That the City Council:

- 1) Reject all bids for Bid No. 7577 and authorize the procurement of ten Dell PowerEdge servers from Dell, Inc., of Round Rock, Texas, under the NASPO ValuePoint Cooperative Purchasing Agreement WN03AGW, in the amount of \$167,914.41, pursuant to Purchasing Resolution 23256, Section 602 (e); and
- 2) Authorize the City Manager, or his designee, to execute all necessary documents, including making minor and non-substantive changes.

BACKGROUND:

The City's datacenters are responsible for storage, processing, and the distribution of large amounts of Citywide data (e.g. via databases, virtual environments, servers, etc.). These datacenters are secure, reliable, and "state-of-the-art". The City currently maintains a primary datacenter, secondary datacenter, and a disaster recovery site.

In order to replace and update aging equipment and to meet the City's growing technology demands, on May 10, 2018, the City posted Bid No. 7577 for the purchase of ten Dell PowerEdge servers. The amount of data processed and stored within the City is continually expanding, which

requires upgrades to data center equipment. In addition, some equipment will be installed at the disaster recovery site to improve the City's continuity of operations.

Bid No. 7577 closed on May 29, 2018. The lowest bid at \$144,709.60 was deemed non-responsive, the next lowest bid at \$193,880.00 did not include tax, and the lowest responsive and responsible bid was \$197,306.04. This amount exceeded the project budget.

DISCUSSION:

Through research and due diligence, it was discovered that the City could save \$29,391.63 by procuring the servers directly from Dell, Inc., through the NASPO ValuePoint Cooperative Purchasing Agreement WN03AGW. The NASPO multi-state cooperative purchasing program provides pre-negotiated discounts to participating agencies. This cooperative purchasing program has been competitively bid nationally and meets the City's procurement requirements under Purchasing Resolution 23256, Section 602 (e), which allows exceptions to competitive procurement when "Cooperative Purchasing is available and undertaken or when Goods can be obtained through Federal, State and/or other public entity pricing contracts or price agreements."

The City's Purchasing Manager concurs that these recommendations are in compliance with Purchasing Resolution No. 23256, Section 602 (e).

FISCAL IMPACT:

The total fiscal impact of this action is \$167,914.41. The Innovation and Technology (IT) Department's original Fiscal Year 2017-2018 budget allocation, in the form of carryover funds, will be used to fund the purchases. Sufficient funds are available in the IT Operations Technology Replacement Account No. 2410000-462320, in the amount of \$57,883.84; IT Measure Z Technology Replacement No. 2400009-462310, in the amount of \$66,617.69; and IT Administration Technology Replacement Account No. 2400000-462320, in the amount of \$43,412.88.

Prepared by: Chris Tilden, Interim Chief Innovation Officer
Certified as to
Availability of funds: Adam Raymond, Chief Financial Officer /City Treasurer
Approved by: Lea Deesing, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachment: Quote