



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: NOVEMBER 17, 2020

FROM: INNOVATION AND TECHNOLOGY DEPARTMENT WARDS: ALL

SUBJECT: MEASURE Z - PURCHASE OF TEN (10) VXRAIL SERVERS, EIGHT (8) INFRASTRUCTURE MANAGEMENT SERVERS, UPGRADES TO FIVE (5) EXISTING VXRAIL SERVERS, AND AN ENTERPRISE LICENSE AGREEMENT FOR VMWARE SOFTWARE FROM DELL, INC IN AN AMOUNT NOT TO EXCEED \$3,546,176.78

ISSUE:

Authorize the purchase of ten (10) VxRail servers, eight (8) infrastructure management servers, upgrades to five (5) existing VxRail servers, and approve an Enterprise License Agreement for VMWare Software from Dell, Inc., under the NASPO ValuePoint Cooperative Purchasing Agreement MNWNC-108 pursuant to Purchasing Resolution 23256, Section 602(e), in an amount not to exceed \$3,546,176.78.

RECOMMENDATIONS:

That the City Council:

1. Authorize the purchase of ten (10) VXRail servers and eight (8) infrastructure management servers from Dell, Inc., under the NASPO ValuePoint Cooperative Purchasing Agreement MNWNC-108, pursuant to Purchasing Resolution 23256, Section 602(e), in an amount not to exceed \$2,050,900;
2. Authorize the purchase of upgrades to five (5) existing VxRail servers from Dell, Inc., under NASPO ValuePoint Cooperative Purchasing Agreement MNWNC-108, pursuant to Purchasing Resolution 23256, Section 602(e), in an amount not to exceed \$298,089.01;
3. Approve an Enterprise License Agreement for VMWare Software from Dell, Inc., under NASPO ValuePoint Cooperative Purchasing Agreement MNWNC-108, pursuant to Purchasing Resolution 23256, Section 602(e), in an amount not to exceed \$1,197,187.77, for a five-year term;
4. Authorize the City Manager, or designee, to execute all documents pursuant to this purchase, including the final VMWare Professional Services Scope of Work, and to make minor 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, enterprise applications, billing and financial systems, Permitting system, Graphical Information systems, Public safety systems, virtual environments, servers, etc.). The amount of data processed and stored within the City is continually expanding. The City currently maintains a primary datacenter and a limited backup system failover disaster recovery site. The existing datacenter infrastructure lacks failover capabilities. A Citywide service internal and public facing service disruption may occur if City Hall's datacenter experiences an emergency. In addition, the City's central storage system and some servers are no longer supported by the manufacturer. Expanding capacity and resolving these deficiencies requires upgrades to the primary data center equipment, including the disaster recovery site, to improve the City's continuity of operations and providing automated fail over of core critical services. The Budget Engagement Commission and the City Council allocated funding through Measure Z in 2017 to address this critical infrastructure gap, to maintain the City's digital infrastructure and improve resiliency to support City operations during emergencies.

DISCUSSION:

The purchase of the Dell VxRail server architecture bundles servers, storage, and virtual machine technologies into one package. This creates the next generation of data center virtualization, called Hyperconverged Infrastructure modernizing outdated servers, storage and providing the City with Multi-Datacenter Active / Active resiliency. This project is imperative to the success of the City's continuity of operations, providing additional redundancy, efficiency, cybersecurity, and increased processing speed of citywide applications for users. In addition, the new Hyperconverged infrastructure will provide the City with Cloud-like capabilities that will allow us to consolidate isolated datacenters while enhancing security, governance, reduce server quantities and software license costs while accelerating service delivery to City operations.

This new hyperconverged infrastructure will support the existing Citywide IT virtual server infrastructure and will add new capabilities which will allow the City to re-engineer and consolidate additional isolated computing segments in the future. Furthermore, this platform aligns with the City's data center modernization efforts. The Dell VxRail servers will provide the following benefits:

- Replace central storage with faster and distributed solid state storage
- Enable full utilization of the City's failover data center to mitigate the impact of a City hall Datacenter outage
- Replace and consolidate older servers
- Lower total cost of ownership
- Enable better organizational agility
- Enable faster resource provisioning
- Improve cybersecurity by accommodating isolated virtual tenants, consolidate isolated department's datacenters, improve efficiency, reduce duplicate hardware, software licenses and streamline infrastructure management across all departments.
- Provide a scalable datacenter infrastructure, software, and security to support future City and Public Utilities smart cities technology initiatives

This hardware purchase and Enterprise License Agreement includes twenty-four/seven (24/7) technical support, a five-year warranty with next business day equipment replacement, and professional services for project implementation.

Through research and due diligence, it was discovered that the City could expedite the purchase by procuring the servers and necessary software required to operate this new infrastructure directly from Dell, Inc., through the NASPO ValuePoint Cooperative Purchasing Agreement MNWNC-108. 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 provides that competitive procurement through the formal and informal procurement process shall not be required 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 Purchasing Manager concurs that the recommendation to purchase is in compliance with Purchasing Resolution No. 23256, Section 602 (e).

FISCAL IMPACT:

The total fiscal impact of this action over the five-year term is \$3,546,176.78. The five-year Enterprise License Agreement is being paid in five-equal annual payments of \$239,437.56, totaling \$1,197,187.77. Licensing costs for the following four years totaling \$957,750.21 will be paid for by future Measure Z allocations for FY2022-2026. Hardware costs totaling \$2,348,989.01 and first year software licensing costs in amount of \$239,437.56 will be paid with FY 2020/21 funding. Sufficient funds are available in the General Fund Datacenter/Disaster Recovery Project Account No. 9914000-462308 and Measure Z Fund Technology Improvements Account No. 9914009-462308.

Prepared by: George Khalil, Chief Innovation Officer
Certified as to availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by: Lea Deesing, Assistant City Manager
Approved as to form: Kristi J. Smith, Chief Assistant City Attorney

Attachments:

- Quote No. 3000070692558.1
- Quote No. 3000070927461.1
- Quote No. 3000070927972.1
- Quote No. 3000070927098.1
- Quote No. 3000070926399.1
- Quote No. 3000070926901.1
- Quote No. 3000070482250.1
- Draft VMWare Professional Services Statement of Work
- Enterprise License Agreement