



City of Arts & Innovation

City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: OCTOBER 4, 2016

FROM: INNOVATION AND TECHNOLOGY DEPARTMENT WARDS: ALL

SUBJECT: BID NO 7400 DELL SERVERS, MEMORY, AND CISCO SWITCH, RESCIND AWARD TO CURVATURE IN THE AMOUNT OF \$134,190 AND AWARD TO SIGMANET IN THE AMOUNT OF \$151,741.75

ISSUES:

Rescind the previous award of Bid No 7400 for the purchase of Dell servers, memory and Cisco Switch, from Curvature of Santa Barbara, California, in the amount of \$134,190, and award Bid No 7400 to Sigmanet of Ontario, California, in the amount of \$151,741.75.

RECOMMENDATIONS:

That the City Council:

1. Rescind the previous award of Bid No 7400 for the purchase of Dell servers, memory and Cisco Switch, from Curvature of Santa Barbara, California, in the amount of \$134,190; and
2. Award Bid No 7400, for the purchase of Dell servers, memory and Cisco Switch to Sigmanet of Ontario, California, in the amount of \$151,741.75.

BACKGROUND:

The City of Riverside has used the Oracle database product in many of the City's data systems for at least 15 years. Systems using Oracle include CADME, Customer Relations Management (CRM), Customer Information System (CIS), Fleet M5 and others. Oracle is a very powerful tool and though there are other database systems available, any migration away from Oracle would require a large scale effort involving significant costs and implementation duration.

The City recently implemented a small Oracle Virtual Machine (VM) system for the new Computronix permits software but it runs on re-purposed hardware that will be in use until the City purchases new hardware and licenses. This purchase of these servers and associated equipment will allow the City to create a large and robust Oracle VM system and maintain Oracle licensing compliance. Implementation of the Oracle Virtual Machine enables the City to utilize the Oracle licensing more effectively resulting in significant savings in licensing costs.

This new Oracle Virtual Machine system will improve the efficiency of the City's data systems that utilize Oracle by consolidating workload, improving speed of the databases and improve the ability for Innovation and Technology department staff to deploy new applications. This will lead to time savings throughout the life cycle for projects utilizing Oracle. It will also reduce staff effort involved

with the ongoing maintenance and support of City data systems using Oracle databases. Additionally this will allow the City to realize significant cost savings on Oracle licensing.

On April 29, 2016, the City issued Bid No. 7400 soliciting bids for the purchase of Dell servers, memory and Cisco Switch. The Bid closed on May 17, 2016, with five responses.

DISCUSSION:

On June 28, 2016 City Council approved the award of Bid No 7400 to Curvature. The specifications specifically stated that vendors must provide new, original Dell equipment and include 5-year manufacturer (Dell) warranty. Curvature's bid included these items with their bid for the amount of \$134,119.

Upon receipt, Innovation and Technology staff inspected the items and discovered that the vendor had sent new Dell equipment that initially did not meet the City's bid specifications, but upgraded them with additional Dell equipment to meet the City's requirements. By modifying the equipment, Curvature invalidated the Dell warranty on the equipment. Curvature offered to provide their own warranty coverage.

As the City did not allow for this option in the bid specifications, it has been determined that the bid is non-responsive and staff are requesting to rescind the award of Bid No 7400 from Curvature and award it to the next lowest bidder, Sigmanet in the amount of \$151,741.75.

The City's Purchasing Manager concurs with the bid award recommendations in this report.

FISCAL IMPACT:

The total cost for the hardware is \$151,741.75. Sufficient funding is available in the Innovation and Technology Software Maintenance/Support general fund account, account number 2400000-424310.

Prepared by: Lea Deesing, Chief Innovation Officer

Certified as to

availability of funds: Scott Miller, PhD., Chief Financial Officer/City Treasurer

Approved by: Al Zelinka, FAICP, Assistant City Manager

Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Cancellation Letter to Curvature
2. Bid Recommendation