



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: James R. Helmer
Scott P. Johnson

SUBJECT: SEE BELOW

DATE: 04-19-05

Approved

Date 4/13/05

SUBJECT: REPORT ON BIDS FOR SERVERS FOR NEW CITY HALL

RECOMMENDATION

1. Report on bids and award the purchase of quantity 45 servers and related items to the lowest responsive bidder, Systems Technology Associates (STA, based in Tustin, CA), at a total cost of \$585,684.36 including extended maintenance and support, taxes and shipping charges, and authorize the Director of Finance to execute the purchase order.
2. Approval of a contingency in the amount of \$58,000 for unforeseen changes/requirements that may arise in the deployment of these servers.

BACKGROUND

On October 12, 2004, the City Council approved the selection of Gartner, Inc. to assist the City in preparing a Server/SAN Request for Proposals (RFP). On December 1, 2004, the City released the Consolidated Server and Storage Solution (Server/Storage) RFP. This RFP was designed to consolidate appropriate technical infrastructures supporting data storage and applications, and to migrate most of its computing infrastructure into a new Network Operation Center located in the NCH. Only one proposal was received at the close of the proposal due date for the Server/Storage RFP. Xiotech submitted the sole proposal; however, their proposal did not meet the minimum qualifications and was deemed to be non-responsive.

On January 25, 2005, the City Council approved the rejection of the nonresponsive proposal and authorized the City Manager to reissue the request for proposal. Instead of issuing an RFP for both servers and SAN technology, staff decided to procure the server equipment in a low-bid procurement process. Staff intends to procure the SAN technology through an RFP process.

Staff prepared bid specifications to procure a sufficient quantity of servers and software to enable employees moving in to New City Hall to utilize IT resources equal to or better than they do now.

ANALYSIS

A notice requesting bids was issued on March 11, 2005. The requirement was advertised on the City's Bid Line and on the DemandStar system, which proactively notifies suppliers via fax and/or e-mail of the requirement. In addition, Staff directly notified the major server manufacturers. 37 companies downloaded the bid document, and a total of six bids were received by the April 4, 2005 due date.

After the bids were opened and reviewed, it was determined that bids received from Dell Marketing L.P, TAM Group, and Advanced Digital Solutions International, were not responsive:

- Dell took exception to several of the City's business and legal terms and conditions, expressing a willingness to negotiate if they were the selected bidder. Specifically, Dell did not guarantee delivery of the first 25 servers after receipt of order, stating that they would make "every good faith effort" to ship in 21 days, but their guaranteed standard delivery is 14 to 30 days after receipt of order. Dell also wanted to add a Limitation of Liability, capping their liability for damages at the amount of invoices paid under the agreement.
- TAM Group' did not submit a complete pricing bid. In addition, they did not submit a required bidders bond.
- Advanced Digital Solutions International did not submit a complete pricing bid, and they did not submit a required bidders bond.

Responsive bids were received from STA (Tustin, CA), ComputerLand (San Jose), and Mainline Information Systems, Inc (Kirkland, WA).

The bid results for those bidders submitting complete pricing are summarized in the table on the following page:

SUMMARY

Staff recommends the award to Systems Technology Associates, as the lowest responsive bidder in accordance with the formal bidding procedures of the San Jose Municipal Code, Section 4.12.030.

DESIRED OUTCOME

Procurement of these servers and related items will allow employees to move into New City Hall on schedule, without a disruption in, or impacting facility technology services.

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	Total Appn.	Amount For Contract	2004-2005 Adopted Budget (Page)	Last Budget Action (Date, Ord. No.)
473	5152	Technology, Furniture and Equipment	\$37,242,422	\$486,041	Adopted Capital Budget, p. V-1127	10/12/04, Ord. 27267
001	0432	Non-Personal/Equip. Info Technology	\$3,102,704	\$99,644	Adopted Operating Budget, p.VIII-84	2/8/05 Ord. 27350

PUBLIC OUTREACH

Outreach efforts are detailed in the Analysis section of this memo.

COORDINATION

This memorandum has been coordinated with the Budget Office and the City Attorney's Office.

