

COUNCIL AGENDA: 06/14/2005

ITEM: 2.15

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: June 6, 2005

Approved

Ray Wines

Date

6/6/05

**SUBJECT: REPORT ON BIDS FOR KVM (KEYBOARD/VIDEO/MOUSE) SWITCH
EQUIPMENT AND SOFTWARE**

REASON FOR ADDENDUM

To provide additional timely procurements of critical technology for the New City Hall.

RECOMMENDATION

Report on bids and award the purchase of KVM (Keyboard/Video/Mouse) switch equipment and software to the low responsive bidder, Systems Technology Associates, Inc. (STA, located in Tustin, CA) at a total cost of \$217,812.90 including tax, freight and two years of maintenance, service, and warranty support with the option to extend the initial maintenance period for another two years and authorize the Director of Finance to:

- a. execute the purchase order for the immediate purchase of 45 KVM switches, 720 switch/server interface modules, twenty software user licenses, and one authentication software license; and
- b. execute the purchase order for additional quantities of equipment and software licenses on an as-required basis at the same unit price for a period of twelve months after the initial award is placed, without further Council action other than appropriation of funds; and
- c. execute the option to purchase an additional two years of maintenance, service and support for the initial and any subsequent purchases of equipment and software at the unit price bid without further Council action other than appropriation of funds.

BACKGROUND

The Information Technology Department ("IT") requested the purchase of KVM switching equipment, interface modules, user software, and authentication software and two years of

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maintenance, service, and support. In addition, IT requested extended equipment warranties and software support for additional two years.

This equipment will be utilized by IT for the remote access for the initial set-up for the new server system and ongoing day-to-day management of the network servers for the New City Hall and various other locations throughout the City.

ANALYSIS

A notice inviting bids was published on May 6, 2004. Six bids from three companies were received and publicly opened on May 24, 2005. The bid results for the responsive bids are tabulated as follows:

	1	2		3		4	5	6
Vendors	Bid Total	Local Business Enterprise (LBE) 2.5%		Small Business Enterprise (SBE) 2.5%		Adjusted Total (1+2+3)	Sales Tax	Award Total (1+5)
System Technology Associates, (Tustin, CA)	\$201,270.00	No		No		\$201,270.00	\$16,542.90	\$217,812.90
Helio Solutions, Inc. bid #1 (Santa Clara, CA)	\$268,977.00	Yes	(\$6,690.68)	No		\$262,286.32	\$22,079.23	\$291,056.23
Jones Enterprises, bid #2 (San Jose, CA)	\$274,440.00	Yes	(\$6,842.25)	Yes	(\$6,842.25)	\$260,755.50	\$22,579.43	\$297,019.43
Jones Enterprises, bid #1 (San Jose, CA)	\$295,470.00	Yes	(\$7,368.00)	Yes	(\$7,368.00)	\$280,734.00	\$24,317.40	\$319,784.00

The bid process allowed for companies to submit more than one bid. Upon review of bids, it was determined that two of the three bids submitted by one company, Helio Solutions, Inc. were non-responsive. One bid was for a switch that was not pre-approved as an equivalent in accordance with the bid process, and one bid was for a switch that was in a configuration that did not meet minimum bid specifications.

The adjusted bid amounts of bids received from Jones Enterprises and Helio Solutions reflected in the matrix above include a 2.5% preference for local business enterprise and, if the bidder qualifies as a small business enterprise, an additional 2.5% preference per the City's Municipal Code. The adjusted amounts resulted in no effect on the recommendation for the award of the contract, since STA was the lowest bidder.

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SUMMARY

Staff recommends award to STA, the lowest responsive and responsible bidder, in accordance with the formal bidding procedures of the San Jose Municipal Code, Section 4.12.030.

OUTCOME

Provide for centralized administration and control of all attached network systems at New City Hall.

PUBLIC OUTREACH

This bid was placed on the City of San Jose web site and on the Demandstar bid notification system.

COORDINATION

This memorandum has been coordinated with the City Manager's Budget Office, the Information Technology Department and the City Attorney's Office.

COST IMPLICATIONS

This Council item is consistent with General Principle #2, "We must focus on protecting our vital core city services," and Item #7 "We must continue to streamline, innovate, and simplify our operations...so that we can deliver services at a higher quality level, with better flexibility, at a lower cost."

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC#	Total Appn.	Amt. for Contract	Approp. Ordinance	Last Budget Action (Date, Ord. No.)
473	5152	Technology, Furniture & Equipment	132099	\$37,242,422	\$217,813	2004-05	10/12/04 27267

HONORABLE MAYOR AND CITY COUNCIL

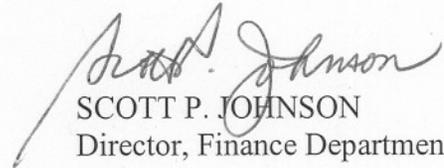
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CEQA

Not a project.


SCOTT P. JOHNSON
Director, Finance Department

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