



COUNCIL AGENDA: 12/18/07  
ITEM: 2.12

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Scott P. Johnson

**SUBJECT:** SEE BELOW

**DATE:** November 26, 2007

Approved

*Ray Wines*

Date

*11/29/07*

**COUNCIL DISTRICT:** City-Wide

**SUBJECT: REPORT ON BIDS FOR SUN SERVERS, PERIPHERAL EQUIPMENT,  
AND RELATED SERVICES**

## RECOMMENDATION

Report on bid for three SUN SPARC Enterprise M5000 servers and peripheral equipment, to include sales tax, delivery, installation, and authorize the Director of Finance to:

1. Execute a purchase order with Helio Solutions (San Jose, CA), the sole bidder, for a total amount not to exceed \$ 464,275.31.
2. Adjust amount of purchase order to purchase additional quantities subject to annual appropriations.

## OUTCOME

With this acquisition, the City will replace existing SUN Servers that are at or near end-of-life support from the manufacturer and improve data processing speed and capacity.

## BACKGROUND

On March 27, 2001 the City Council approved an agreement to execute the purchase of SUN Servers in support of the HR/Payroll (PeopleSoft) and Data Warehousing needs of the City. The purchase of these SUN servers laid the foundation for consolidation of smaller databases as well as citywide applications. Subsequently, additional applications such as Integrated Data Tracking System (IDTS), Financial Management System (FMS) and the Integrated Billing System (IBS) have joined the SUN server environment. The Information Technology Department has invested hardware, software, staff and training in developing an environment that safeguards critical City

data, provides maximum availability based on the City's investment, and is flexible enough to leverage integration of future applications.

With the recommended acquisition, existing servers will be consolidated from eight to five servers. Replacing at or near end-of-life servers will provide enhanced support from the manufacturer and allow the City to adopt a modular approach to hardware and software replacement as future technology advancements take place. This approach allows future replacements of servers in a staggered fashion resulting in a cost effective upgrade path while continuing to meet the increasing demands of new applications and services.

In addition, a fundamental change in providing available computing capacity will take place with this upgrade. Traditionally, the City has purchased double the amount of server hardware necessary to prepare for possible failure allocating half of the hardware to provide computing services while the other half is awaiting a failure. This practice is known in the industry as active/passive clustering. With the SUN Server replacement, the City will adopt an active/active clustering strategy where all hardware is constantly used to provide services and in the event of a failure, processing speed would simply be reduced or critical services would be prioritized based on the nature of the event. Essentially, applications running on a failed server would simply switch to a different operating server.

In May of 2006 with a renewal in November 2007, pursuant to the San Jose Municipal Code section 4.12.240.B.2, Purchasing approved the IT Department's request for a brand name purchase of SUN equipment and software. This equipment is required to match the existing enterprise server environment, execute applications built around specific business processes, leverage the existing investment in staff training, and provide application compatibility for mission critical services. The matching equipment provides the City with the ability to utilize applications such as HR/Payroll, GIS and the Financial Management System data for mission critical data processing without extended downtime or corruption due to the migration of applications and business processes necessary to make data useable on both platforms. The Determination memo from Purchasing is attached to this memorandum.

## **ANALYSIS**

A notice inviting bids was published on October 15, 2007 via the City's e-Procurement system. Through the system, 1,594 companies were notified of the requirement and eighty companies requested the bid package. Helio Solutions was the sole bidder that submitted a bid by the November 5, 2007 deadline and was responsive to all bid requirements and specifications. Staff contacted other companies to determine the reasons for not submitting a bid and did not receive any responses. Therefore, staff compared Helio's bid to several cooperative agreements including the State of California Multiple Award Schedule (CMAS) and the California Strategic Source Initiative (CSSI) agreements. Helio's pricing was lower than either of these agreements.

Therefore, staff recommends the award to Helio Solutions, the sole bidder, in accordance with the formal bidding procedures of the San Jose Municipal Code, Section 4.12.270 for the purchase of SUN servers, Solaris 10 and VM Ware System software, mounting racks, power cords, disk drives, brackets, memory, a one-year "gold" level hardware support, and installation. The total cost of hardware and installation services for this procurement is \$454,791.31 and \$9,484.00, respectively, with a total amount of \$464,275.31.

### **EVALUATION AND FOLLOW-UP**

Staff does not expect any follow-up regarding this item at this time.

### **POLICY ALTERNATIVES**

Not applicable.

### **PUBLIC OUTREACH/INTEREST**

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item does not meet any criteria listed above. However, the memorandum will be posted on the City's website for the December 18, 2007 Council agenda. To outreach to potential contractors, this bid was advertised on the City's e-Procurement system. In addition, this bid was emailed to three vendors directly.

### **COORDINATION**

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

**FISCAL/POLICY ALIGNMENT**

This Council item is consistent with Council approved Budget Strategy memo General Principle #2, "We must focus on protecting our vital core services"

**BUDGET REFERENCE**

The table below identifies the fund and appropriations proposed to fund the contract recommended as part of this memorandum.

Fund #	Appn. #	Appn. Name	Total Appn.	Amount for Contract	2007-2008 Adopted Capital Budget (Page)	Last Budget Action (Date, Ord. No.)
473	5152	Technology, Furniture & Equipment	\$9,962,301	\$464,275.31	V-1211	10/16/07, Ord. No. 28143

**CEQA**

Not a project.



SCOTT P. JOHNSON  
Director, Finance

For questions, please contact Walter C. Rossmann, Chief Purchasing Officer, at (408) 535-7051.

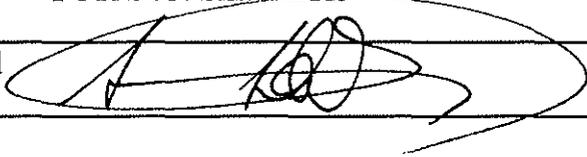
# Memorandum

**TO:** Walter C. Rossmann, C.P.M.

**FROM:** Carla Mehrkens

**SUBJECT: BRAND NAME AUTHORIZATION FOR SUN SERVERS**      **DATE:** November 20, 2007

Approved



Date

11/20/07

## BACKGROUND

The IT Department Enterprise Server Group requires new servers to replace outdated equipment used throughout the City's large citywide mission critical applications such as FMS, HR Payroll and many more.

In 2001, the City issued an RFP to select a UNIX platform for the Hr/Payroll/Peoplesoft upgrade project. As a result, Sun Solaris hardware/operating system configuration was selected as the primary platform for all mission critical UNIX based applications. The purchase of these Sun Servers laid the foundation for consolidation of smaller databases as well as citywide applications.

Since that time, the entire enterprise Unix server environment has been built on the original purchase, leveraging those resources whenever possible. In addition to Payroll, several public safety agencies utilize the Sun/Solaris platform for running various missions critical applications such as the Police Department CAD Emergency Response, Crime Analysis, beat boundary map maintenance and updates, along with the Fire Department CAD system, fire station location, emergency response zones and mutual aid areas. All of which rely on GIS data stored in the enterprise UNIX server environment to operate effectively and efficiently.

In addition, the enterprise server farm data disaster recovery environment is based on Solaris, OS for data recovery, which operates only on Sun Servers.

The Information Technology Department has invested hardware, software, staff and training in developing an environment that safeguard critical City data provides maximum availability based on the City's investment, and is flexible enough to leverage integration of future applications.

## ANALYSIS

Although HP and IBM manufacture UNIX servers with the speed and memory capability of supporting the data requirements of the GIS data; the servers available from these manufacturers are not capable of running Solaris Operating System.

Utilizing hardware and operating system platforms that are fully compatible with the existing environment allows for the Enterprise Server Team to leverage the overall resources to provide flexibility not only for this mission critical application, but in providing ongoing services for

SCOTT P. JOHNSON

November 20, 2007

**Subject: Sole Source Procurement of Sun Servers**

Page 2

application testing and for accommodating existing project/application scope changes, and to seamlessly affect disaster recovery efforts when required.

The SUN Solaris environment continues to support mission critical applications such as CUBS, HR/Payroll, FMS, etc. The IT department continues to invest in training and support of SUN Solaris systems to provide a high degree of reliability for these applications. In addition departments have developed business processes which have become integrated with the environment and rely on the high availability to perform mission critical business functions such as revenue collection. With the purchase of these additional servers the environment will receive a much needed hardware and software upgrade.

The existing servers will be consolidated from eight to five servers. Replacing at or near end-of-life servers will provide enhanced support from the manufacturer and allow the City to adopt a modular approach to hardware and software replacement as future technology advancements take place. This approach allows future replacements of servers in a staggered fashion resulting in a cost effective upgrade path while continuing to meet the increasing demands of new applications and services.

#### **DETERMINATION**

Pursuant to San José Municipal Code section 4.12.240.B.2, Purchasing has determined that the purchase of Sun Servers is required to match existing enterprise server equipment and operating system software.

For this reason, the purchase of the Sun server equipment and operating software as a brand name purchase meets the requirements of /Section 4.12.240. This decision is valid for three years and shall be reviewed if the impacted IT infrastructure changes prior to the expiration of the three-year period.



CARLA MEHRKENS

Contract Analyst