



COUNCIL AGENDA: 12-13-05

ITEM: 3.6

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: John Bjurman
Scott P. Johnson

SUBJECT: SEE BELOW

DATE: November 30, 2005

Approved

Date

12/5/05

Council District: Citywide

SUBJECT: PROCUREMENT STRATEGY FOR ACQUISITION OF A STORAGE AREA NETWORK FOR THE CITY'S NETWORK OPERATIONS CENTER (NOC) AT CITY HALL

RECOMMENDATION

Accept this Procurement Strategy that outlines the process for selecting contractor(s) for the successful acquisition of a Storage Area Network (SAN) for the City's Network Operations Center (NOC) located at City Hall and direct the Director of Finance to proceed with the procurement process and schedule as outlined.

BACKGROUND

The City of San Jose is in the process of designing and implementing a state-of-the-art Network Operations Center (NOC) at City Hall (CH). To assist in this effort, on May 10, Council approved an amendment to the contract with Gartner, Inc. to add additional procurement and technical services related to the Storage Area Network. After completion of the Storage Area Network, the NOC will perform the majority of the data processing functions for the occupants, visitors and users of CH network services. Furthermore, the business continuity and disaster recovery of the City of San Jose's business critical data processing functions will be enhanced.

The Purchasing Division in the Finance Department will lead the procurement ensuring that the process will incorporate Council directions for IT purchases dated January 25, 2005 and recommendations from audits of recent City procurements and will allow the City adequate flexibility to select a contractor who will deliver the best overall value to the City. This procurement strategy is consistent with the Airport IT procurement strategy approved by the Council on June 21, 2005.

The City of San Jose is committed to being a municipality of national standing and outlook, achieving excellence in Customer Service to all the citizens of San Jose through its technology enabled and professional staff. Computer based information systems supported by an adequate

enterprise data storage solution are a critical success factor in achieving this mission. The City's objectives in its server and storage capacity planning include:

- a. Accommodate anticipated growth in server and storage requirements over the next 5 to 7 years.
- b. Consolidate geographically distributed storage.
- c. Consolidate existing servers and direct attached (server based) storage.
- d. Improve server and storage management.
- e. Enhance the City's IT disaster recovery and business continuity capacity.
- f. Improve the security, integrity and availability of the City's data.
- g. Protect the confidentiality of certain data pursuant to applicable laws.
- h. Preserve the integrity of certain records pursuant to applicable laws.

The primary focus to achieve these objectives is to effectively consolidate the City's existing servers (file, print, application, web and database) and to meet current and projected storage requirements associated with computer based systems and data processing functions at City Hall through the procurement of an enterprise storage solution. The consolidation of existing servers, which is currently in progress, was facilitated on April 19, 2005 by Council's approval of Agenda Item 3.6, *Approval of actions related to servers for the New City Hall*.

The Information Technology Department (ITD) has identified a number of key requirements and parameters that will be addressed by the procurement of an enterprise storage solution:

- a. Capacity and scalability to meet the City's data storage needs over a 5-7 year time period.
- b. Powerful, multi-platform Storage Resource Management (SRM) toolset ideally combined with a data archive and/or HSM (Hierarchical Storage Management System) capability.
- c. Network storage of staff documents.
- d. Consolidation of existing and planned Unix, Windows 2000/2003, and Linux servers.
- e. "Instant Backup" and "Snapshot" Technology providing full valid hot database backups and pointer based instant copies to enhance backup schemes for other types of data.
- f. An upgraded and improved data backup solution for the majority of computer based systems and data processing functions located in the NOC at City Hall.
- g. A foundation for business continuity and disaster recovery for the City's business critical computer based systems and data processing functions.

Furthermore, specifications will include the following supplier qualifications:

- a. Consolidates effectively and with no loss of functionality the City's existing and anticipated server and storage environment;
- b. Integrates the enterprise storage solution as seamlessly as possible with the City's remaining server and storage environment as well as the data network environment;
- c. Incorporate the City's existing storage environment in the proposed solution;
- d. Delivers a fully integrated storage solution that addresses the mixture of data types and different levels of data importance in a cost effective way;
- e. Delivers a backup solution that is fully integrated with the enterprise storage solution and which provides the City with the confidence in the availability and security of its current and future data under any scenario or situation.
- f. Accomplishes these goals in the optimum time frame.

ANALYSIS

The recommended procurement process for the SAN is devised to be open, fair, and inclusive. This procurement will be solicited with a Request for Proposals (RFP). The discussion below outlines the specification development, the outreach, submission, evaluation, and award process, and the estimated procurement timeline.

Specification Development:

ITD and the independent consulting firm Gartner, Inc. have developed the specifications for this procurement as approved by Council on May 10. Gartner, Inc. is providing technical expertise pursuant to Directive #3 of the City Council's January 25, 2005 direction related to future IT purchases, which states:

"3. Direct the City Manager to provide to the Council an outside independent assessment of the staffing and expertise needs in the development of Requests for Proposals or project management before proceeding with any IT (or other complex) purchase or contracts exceeding \$1 million."

Only functional specifications will be included in the RFP, and there will not be any City standardized or brand name products in the specification.

Gartner, Inc. employees and City employees developing specifications have complied with City requirements for full disclosure of any conflicts of interest.

Outreach:

The City will issue the RFP via the DemandStar bid notification system and directly notify firms who are known to be capable of responding to the RFP or who expressed interest in the procurement.

After the issuance of the RFP, written questions from potential proposers will be accepted to allow for adequate communication between Proposers and the City. Throughout the solicitation process, the City will issue addenda with responses to questions submitted and/or changes to the RFP document.

Submission:

Proposals will be submitted by a certain date and time. To ensure that pricing does not inadvertently influence the technical evaluation, pricing and technical proposals will be submitted in separate envelopes. Pricing will not be disclosed until the technical evaluation is complete.

After Purchasing's review to ensure that all proposals meet minimum qualifications, qualified technical proposals will be released to the Technical Evaluation Committee (TEC). Proposers who do not meet minimum qualifications will be offered a debriefing session with Purchasing, and will have the opportunity to protest the decision.

Evaluation Process:

Purchasing will brief the TEC to discuss the roles and responsibilities of the committee and to provide copies of the technical proposals. A technical evaluation panel consisting of City employees and IT peers will evaluate all proposals. The panel will have technical input from Gartner, Inc. and will have the City Attorney's Office available for consultation on legal issues.

Evaluation panel members are:

- Two (2) IT Department Managers
- Two (2) IT Department Network Engineers
- One (1) peer Information Technology Manager
- One (1) peer Information Technology Engineer

Directive #7 of the City Council's January 25, 2005 direction related to future IT purchases states:

"Direct the Manager to include a list of evaluators and description of their expertise when subjective evaluation is used for vendor or product selection."

In accordance with this directive, evaluator's names and current position will be included with the Council memo requesting contract award.

All members of the TEC will sign and abide by strict rules of confidentiality comply with City requirements for full disclosure of any conflicts of interest. Each member of the committee will first rate the proposals in accordance with the developed and approved evaluation forms. All qualified Proposers will be invited to participate in oral interviews. The information gathered through oral interviews will be incorporated in the individual technical committee member rating. After the individual rating is complete, the committee will arrive at a consensus rating and submit its recommendation for award based on the review of technical proposals to Purchasing.

After review of the pricing and technical proposals, the Committee and the Purchasing representative will establish the competitive range; proposals which reasonably can achieve award of contract. The City will reserve the right to invite Proposers in the competitive range to submit a Best and Final Offer (BAFO) or to proceed with negotiations with the finalist.

After receipt of BAFO submissions, Purchasing will review and provide them to the TEC. The committee may adjust the ranking of each proposal in the competitive range with a written description of the reasons for the adjustments.

After a finalist is recommended, Purchasing will form a negotiation team and initiate negotiations with the recommended proposer. After agreement is reached, Purchasing will debrief with unsuccessful Proposers in the competitive range. Proposers who do not score favorably in the technical evaluation will receive the final ranking and will be offered a debriefing session with Purchasing.

Throughout the evaluation process, Finance will coordinate with the City Auditor's Office per approved audit recommendation.

Award Process:

After reaching agreement on the contract with the successful Proposer, the City will announce its intent to award the contract with sufficient time to allow for protest of the City's decision to the Chief Purchasing Officer (CPO). If no protests are filed with the CPO, Finance will bring forward a Council Memo recommending the execution of contract. If protests are filed, the CPO will respond to the protesting party, in writing, outlining the City's decision. With this RFP, the City reserves the right to award only part of the contract, to award the contract to one or several contractors, or to cancel the RFP in its entirety.

Estimated Procurement Timeline:

Task	Start	End
Procurement Strategy Approved by Council	12/13/05	12/13/05
Publish RFP	12/15/05	12/15/05
Q&A Period	12/15/05	1/13/06
Final addendum issued by City	1/19/06	1/19/06
Proposals Due	2/7/06	2/7/06
Proposal Review	2/7/06	2/24/06
Proposer Presentations	3/6/06	3/8/06
Best and Final Offer, if necessary	3/13/06	3/21/06
Contract Negotiations	3/22/05	4/19/05
Protest Period	4/20/06	5/1/06
Council Award	5/30/06	5/30/06

This schedule adheres to direction contained in Directive #8 of the City Council's January 25, 2005 direction related to future IT purchases, which states:

"8. Direct the City Clerk and City Manager that on all RFP's with values exceeding \$1 million the staff recommendation must be received no later than the Rules committee meeting two weeks prior to consideration, unless the Rules committee approves a specific exception and that a timeline for approval be two weeks after the first hearing for final adoption if necessary to allow time for potential Council changes."

OUTCOMES

This methodology will help ensure a highly competitive process for the acquisition of a Storage Area Network and that will select the contractor who will deliver the best overall value to the City.

COST IMPLICATIONS

The table below relates directly to Directive #4 of the approved by City Council on January 25, 2005, which states:

“Direct the City manager to provide detailed cost estimates for all aspects of any IT purchase exceeding \$1 million, including costs for RFP development and costs of project implementation and management.”

Component	Estimated Cost
Specification Development & Procurement Assistance	\$256,000.00
Systems procurement and installation	\$1,900,000.00
Professional Services (data migration and configuration changes and includes contingency)	\$842,994.00
System Total	\$2,998,994.00

Funding for this procurement is included in the \$45.2 million allocation for Technology, Furniture, and Equipment at the New City Hall in the Civic Center Improvement Fund.

PUBLIC OUTREACH

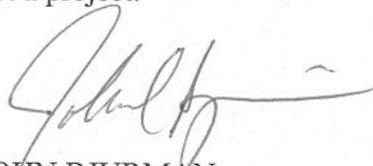
A Notice to Vendors RFP will be posted on the City’s Bid Line and the Demand Star system to provide advance notice of the City’s intent to release RFP documents and the anticipated schedule for procurement. In addition, notice will be sent to interested vendors who have previously contacted the City regarding this RFP.

COORDINATION

This memorandum has been coordinated with the City Manager’s Office, the City Auditor’s Office, and the City Attorney’s Office.

CEQA

This is not a project.



JOHN BJURMAN
Chief Information Officer
Information Technology



SCOTT P. JOHNSON
Director of Finance
Finance

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CITY CLERK
RECEIVED