



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Jose Obregon

**SUBJECT: REPORT ON FORMAL BID FOR
SUN UNIX SERVER CLUSTER**

DATE: June 7, 2004

Approved

Date

RECOMMENDATION

Award the purchase of Sun Unix Server Cluster System (hardware, software & services) to the low bidder, Helio Solutions Inc. (Sunnyvale, CA) in the amount of \$200,012, including tax, delivery, installation and initial year maintenance; and authorize the Director of General Services to execute the purchase order.

BACKGROUND

The Time Card Front End (TCFE) Database collects timecard information for over 3,000 City employees and is a critical component in the City's payroll process. Each pay period the TCFE data is automatically imported into the PeopleSoft Production database for payroll processing.

Currently, the City needs to increase the number of employees using TCFE but lacks required capacity. The existing cluster equipment is used to support TCFE and other mission critical applications such as PeopleSoft (HR/Payroll) and Financial Management System (FMS) that also require more capacity.

The new Sun cluster will be used to support TCFE and provide sufficient capacity to increase the number of employees using the timecard database as required. As a result of off loading TCFE to new Sun cluster, the existing cluster will have freed up capacity to support growth for the PeopleSoft HR/Payroll System and the upcoming Financial Management System (FMS) version upgrade project. The increased capacity will also be used by other smaller business applications (i.e., Capital Improvement Project, Clerk's Super Log, Revenue Plus) including any future requirements. Both existing and new cluster equipment will be moved to the New City Hall.

In January 2001 a Request for Proposal (RFP) determined that the Sun Unix Server brand was the best-suited platform for our enterprise-wide system. Subsequently, on March 27, 2001 item 3.6, the City Council approved award of \$1,556,301.30 to Sun Microsystems. This RFP was the basis for the City's Information Technology Planning Board (ITPB) standardization on Sun Unix Server for enterprise/critical systems.

ANALYSIS

The specifications for hardware, software, installation and maintenance were developed for Sun Unix Cluster equipment to ensure compatibility and integration with the existing Sun hardware and software environment (servers, storage, tape back-up and software). In order to obtain the most competitive pricing, the Purchasing Division solicited bids from authorized Sun Resellers. The solicitation was advertised on the City’s internet site and twelve companies downloaded the formal bid document. Two companies submitted sealed bids by the May 26, 2004 due date. The two bids are summarized below.

	Helio Solutions, Inc. Sunnyvale, CA	Marathon International, Inc. Sunnyvale, CA
Hardware	\$107,719	\$128,387
Software	\$ 20,565	\$ 21,468
Services	\$ 61,144	\$ 40,251
Subtotal	\$189,428	\$190,106
Tax @8.25% (Hardware/Software)	\$ 10,584	\$ 12,363
Total	\$200,012	\$202,469

Staff recommends that the award be made to the low bidder, Helio Solutions Inc.

Managed Competition

The City does not have the technology development or engineering expertise to manufacture equipment or the capability to install it.

PUBLIC OUTREACH

This Formal Bid was posted on City website.

COORDINATION

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

COST IMPLICATION

This Council item is consistent with General Principle #2, “We must focus on protecting our vital core city services”. No other cost implication.

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BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	Total Appn.	Amount of Order.	2003-2004 Appn. Ordinance	Last Budget Action (Date, Ord. No.)
001	0432	IT Dept. Non-personal/Equip	\$3,719,912	\$200,012	Section 2.15 Page 1 5/24/04	2/17/04, 27074
		Total	\$3,719,912	\$200,012		

CEQA

Not a project.

JOSE OBREGON
Director of General Services