



# REPORT TO COUNCIL

## City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
www.CityofSacramento.org

Consent  
November 21, 2006

**Honorable Mayor and  
Members of the City Council**

**Title:** Purchase: Computer Hardware for the electronic Citywide Accounting and Personnel System (AB81)

**Location/Council District:** Citywide

**Recommendation:** Adopt a **Resolution** authorizing the City Manager to purchase, through a cooperative purchasing agreement, EMC computer hardware and associated software, equipment, maintenance and installation services from Northrop Grumman Corporation using the State of California Strategic Sourcing Initiative Contract #1S-05-70-10, in an amount not to exceed \$500,000.

**Contact:** Jim Boyle, Senior Information Technology Project Manager, 808-5005  
Karl Rosander, Information Technology Manager, 808-8262

**Presenters:** N/A

**Department:** Information Technology

**Division:** Administration

**Organization No:** 1311

### **Description/Analysis**

**Issue:** The City of Sacramento has initiated an Enterprise Resource Planning (ERP) Project, now officially known as eCAPS, which will result in the acquisition and implementation of a software system to replace the legacy city-wide systems for Financial and Human Resources (HR)/Payroll administration. City executives and staff have determined that better integration of financial data, improved capacity to support activity-based cost accounting and citywide adoption of "best business practices" to improve organizational efficiency is needed. The City is also seeking better integration and compatibility with other internal legacy systems and the replacement/elimination of dozens of "shadow systems" that have been developed by departments over the years to provide functionality not provided by many outdated legacy systems.

As part of this initiative, Staff requests that City Council adopt the attached resolution authorizing the purchase of EMC computer hardware and associated software, equipment and maintenance and installation services from Northrop Grumman Corporation, an authorized reseller of EMC equipment under the State of California Strategic Sourcing Initiative (CSSI) Contract #1S-05-70-10. The



requested purchase is for a redundant back-up and storage server for electronic information to support the eCAPS project. EMC is the preferred vendor that provides this equipment.

**Policy Considerations:** The recommendations in this report are in accordance with the following provision of City Code:

- Section 3.56.240 authorizes the City Manager, where advantageous to the City, to utilize co-operative purchasing agreements approved by the City Council to purchase supplies or nonprofessional services through legal contracts of other governmental jurisdictions or public agencies without separate competitive bidding by the City.

**Environmental Considerations:** The report concerns administrative activities that will not have a significant effect on the environment, and does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) [CEQA Guidelines Sections 15061(b)(3);15378(b)(2)].

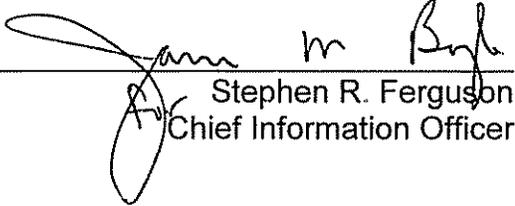
**Rationale for Recommendation:** The purchase of EMC computer hardware and associated software, equipment and maintenance and installation services from Northrop Grumman Corporation will be made through a co-operative purchasing contract under CSSI Contract #1S-05-70-10. The hardware is needed for the eCAPS development and production environment.

When the City uses cooperative buying, it enables Procurement Services to evaluate a broader range of contracting opportunities, deploy staff resources to achieve the greatest return on time invested, and benefit from sharing resources with other participating institutions. One of the greatest benefits of cooperative buying is that the City receives favorable pricing due to large volume purchases through these contracts. The average cost saving the City receives with these cooperative contracts is estimated to be a minimum of 10%. An additional benefit of cooperative buying is that Procurement Services utilizes regional and national cooperative buying relationships to complement its own annual contracting initiatives. Cooperative buying enables Procurement Services to leverage internal and external resources to maximize cost saving opportunities

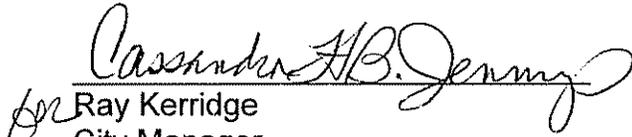
**Financial Considerations:** Sufficient funding for this purchase is available in the eCAPS Project (AB81).

**Emerging Small Business Development (ESBD):** Cooperative purchasing agreements are created, evaluated, and awarded by other government agencies that may or may not have similar emerging and small business programs. Northrop Grumman Corporation has agreed to subcontract at least 25% of the work to certified California small businesses under the CSSI Contract #1S-05-70-10.

Respectfully Submitted by: Jim Boyle, Sr. IT Project Manager

Approved by:   
Stephen R. Ferguson  
Chief Information Officer

Recommendation Approved:

  
Ray Kerridge  
City Manager

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**Attachment 1**

**Background**

On February 7, 2006, City Council Adopted Resolution No. 2006-106 establishing a Capital Improvement Project (CIP) and appropriating \$14.6 million of General Fund department carryover to fund the General Funded portion of the Human Resources/Financial System Replacement.

On October 24, 2006, City Council Adopted Resolution No 2006-785 authorizing the purchase of software license from Oracle, Inc., and the installation and implementation of the ERP system by CherryRoad Technologies.

The purchase of EMC computer hardware and associated software, Storage Area Network (SAN) equipment and maintenance and installation services from Northrop Grumman Corporation will be made through CSSI Contract #1S-05-70-10. The CSSI process allows the State of California to purchase goods and services for the best value through competition. The State of California has entered into a series of statewide contracts for the procurement of goods and services, one of which is CSSI Contract # 1S-05-70-10 for the purchase of data storage equipment. CSSI Contract #1S-05-70-10 provides a maximum price that the vendors can charge along with a one year warranty and maintenance services which may be renewed for an additional four one-year periods by authorized purchasers.

**Attachment 2**

**RESOLUTION NO.**

**Adopted by the Sacramento City Council**

**PURCHASE OF EMC COMPUTER HARDWARE AND ASSOCIATED SOFTWARE,  
EQUIPMENT, INSTALLATION AND MAINTENANCE SERVICES FROM NORTHROP  
GRUMMAN CORPORATION IN AN AMOUNT NOT TO EXCEED \$ 500,000**

**BACKGROUND**

- A. The City of Sacramento has initiated an Enterprise Resource Planning (ERP) Project, now officially known as eCAPS, which will result in the acquisition and implementation of a software system to replace the legacy city-wide systems for Financial and Human Resources/Payroll administration.
- B. The purchase of the EMC computer hardware and Storage Area Network (SAN) equipment is needed to support the eCAPS development and production storage environments.
- C. Through the use of cooperative purchasing contracts, the City has an opportunity to obtain favorable pricing through volume purchasing and maximize cost-saving opportunities and staff resources. For the foregoing reasons, it is advantageous for the City to purchase the requested EMC computer hardware, equipment and maintenance services from Northrop Grumman Corporation through the State of California Strategic Sourcing Initiative Contract #1S-05-70-10.
- D. Staff requests that the Mayor and Council accept the bids obtained competitively by the State of California as the basis for awarding the City contract, in accordance with Sacramento City Code section 3.56.240, which allows for use of cooperative purchasing contracts through other governmental jurisdictions or public agencies without separate competitive bidding.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL  
RESOLVES AS FOLLOWS:**

- Section 1. The City Manager, or authorized designee, is hereby authorized to purchase, through a cooperative purchasing agreement, EMC computer hardware and associated software, equipment, installation and maintenance services from Northrop Grumman Corporation using the State of California Strategic Sourcing Initiative Contract #1S-05-70-10, for an amount not to exceed \$500,000.