



REPORT TO COUNCIL

City of Sacramento

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

Consent
December 18, 2007

Honorable Mayor and
Members of the City Council

Title: Purchase: Computer Hardware and Software Equipment

Location/Council District: Citywide

Recommendation: Adopt a **Resolution** 1) approving the cooperative purchasing agreement State of California Strategic Sourcing Initiating Contract #1S-05-70-10 for the purchase of EMC computer hardware and associated software, equipment, maintenance and installation services from Northrop Grumman Corporation; and 2) authorizing the City Manager to issue purchase orders under said agreement for an amount not to exceed \$300,000.

Contact: Karl Rosander, Information Technology Manager, 808-8262

Presenters: N/A

Department: Information Technology

Division: Administration

Department ID: 07001011

Description/Analysis

Issue: Recently, the City of Sacramento purchased new Storage Area Network (SAN) technology to support the Enterprise Resource Planning (ERP) Project, officially known as the electronic Citywide Accounting and Personnel System (eCAPS). This technology has enabled the City to lower the cost of data storage, provide better integration and improved capacity to support multiple initiatives and includes a citywide adoption of "best business practices" to improve organizational efficiency as needed. The City is also seeking better integration and compatibility with other internal legacy systems and the replacement or 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"shadow systems" that have been developed by departments over the years to provide functionality not provided by many outdated legacy systems.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 the 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 expands the previously approved storage system for electronic information. This expansion will continue to support the eCAPS project as well as other existing systems, such as CIS (Utility Billing), the City Voice Mail System, the City eMail System, the new Electronic Document Management System, and many others. EMC is the preferred vendor for provision of this equipment.

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

Section 3.56.240 authorizes the City Manager, where advantageous to the City, to utilize cooperative 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: This 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)].

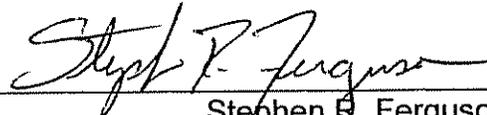
Rationale for Recommendation: The EMC computer hardware is needed for the expansion of existing technology that supports the eCAPS development and production environment as well as many other current City systems.

When the City uses cooperative purchasing, 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 purchasing is that the City receives favorable pricing due to large volume purchases through these contracts. The average cost savings the City receives with these cooperative contracts is estimated to be a minimum of 10%. An additional benefit of cooperative purchasing is that Procurement Services utilizes regional and national cooperative purchasing relationships to complement its own annual contracting initiatives.

Financial Considerations: Sufficient funding for this purchase is available in the Technology Replacement Capital Improvement Project (CIP) A07000500.

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: Karl Rosander, IT Manager

Approved by: 
Stephen R. Ferguson
Chief Information Officer

Recommendation Approved:


Ray Kerridge
City Manager

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Attachment 1**Background**

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

On November 21, 2006, the City Council approved the purchase of EMC Computer hardware and associated software, equipment, maintenance and installation services from Northrop Grumman Corporation using the State of California Strategic Sourcing Initiative (CSSI) Contract #1S-05-70-10 (Reso 2006-842). This approval was in the amount of \$500,000. This request is for an additional spending authorization in the amount of \$300,000 to support the continued technology expansion needs of the eCAPs and other technology systems. With the authorization of this additional \$300,000 the total amount spent with this vendor will be \$800,000 over a 12 month period.

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 the same CSSI Contract (#1S-05-70-10) as last year. The CSSI process allows the State of California and other California governmental agencies, 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. The warranty and maintenance services may be renewed for four additional one-year periods by authorized purchasers.

Staff considerations and justifications to support this request:

Staff/Engineers Estimate:	\$300,000 is Staff's estimate of EMC computer hardware and associated software, SAN equipment and maintenance and installation services needed for expansion of the previously purchased storage system for electronic information.
Evaluation of Multi-Year Proposals:	The purchase will be made through the State of California's CSSI contract (1S-05-70-10). This competitive bid contract covers an initial three year period, with options to renew this contract for three additional one-year extensions.
List of vendors/contractors bidding:	N/A
RFP Issue date, number, and title:	N/A

Attachment 2

RESOLUTION NO.

Adopted by the Sacramento City Council

**PURCHASE EMC COMPUTER HARDWARE AND ASSOCIATED SOFTWARE,
EQUIPMENT, INSTALLATION AND MAINTENANCE SERVICES FROM NORTHROP
GRUMMAN CORPORATION**

BACKGROUND

- A. On November 21, 2006, the City Council approved the purchase of new Storage Area Network (SAN) technology to support the Enterprise Resource Planning (ERP) Project, officially known as eCAPS (Reso 2006-842). This technology has enabled the City to lower cost of data storage, provide better integration and improved capacity to support multiple initiatives and includes a citywide adoption of "best business practices" to improve organizational efficiency as needed.
- B. The purchase of the EMC computer hardware and Storage Area Network (SAN) equipment is needed to expand the eCAPS development and production storage environments, as well as other City systems.
- C. Through the use of cooperative purchasing contracts, the City has an opportunity to obtain favorable pricing through volume purchasing and to maximize cost-saving opportunities and staff resources. For these 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. Sacramento City Code section 3.56.240 authorizes the use of cooperative purchasing agreements approved by the City Council for the purchase of supplies or nonprofessional services through legal contracts of other governmental jurisdictions or public agencies without separate competitive bidding by the city.

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

- Section 1. The cooperative purchasing agreement, State of California Strategic Sourcing Initiative Contract #1S-05-70-10, is hereby approved for the purchase of EMC computer hardware and associate software, equipment, maintenance and installation services from Northrop Grumman Corporation.
- Section 2. The City Manager, or authorized designee, is hereby authorized to issue purchase orders under said cooperative purchasing agreement, for an amount not to exceed \$300,000.