

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 05/26/09		Item Number: <u>C-5</u>	
AGENDA ITEM: 1) Waiver of Formal Competitive Bidding Procedures; and 2) Approval of an Agreement with Forsythe Inc. (El Segundo, CA) for the Purchase of Hewlett Packard Virtual Server, Virtual Storage Hardware, and VMware Virtual Storage Software to Refresh Servers and Enhance Storage Capacity in the City's Data Center.			
Contact Person/Dept.: John Richo		Phone Number: 310-253-5950	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☐ Attachments: ☒	
Public Notification: Master E-Mail Notification List (05/20/09), Emilya Svadjan - Forsythe Inc. (05/19/09)			
Department Approval: John Richo (05/14/09)		City Attorney Approval: Carol Schwab (by H. Baker) (05/19/09)	
Chief Financial Officer Approval: Jeff Muir (05/20/09)		City Manager Approval: Jerry B. Fulwood (05/20/09)	
<u>RECOMMENDATION:</u> Staff recommends the City Council (1) waive the formal competitive bidding procedures; and (2) approve an agreement with the Forsythe Inc. for the purchase of Hewlett Packard virtual server, storage hardware, and VMware virtual storage to refresh servers and enhance storage capacity in the City's Data Center. <u>BACKGROUND:</u> At the December 10, 2007 and March 24, 2008 meetings, the City Council approved the purchase of virtual server, virtual storage and virtualization software. Server consolidation or virtualization is not complicated in its conception. Simply put, one physical server is configured with virtualization software, so that by its sharing physical resources (hard drive memory, CPU, power supplies, etc.) it can host a number of "virtual" servers, which are isolated from each other. These virtual servers can host any application or process, and perform at a level equal to the performance provided by one physical server. Assuming that we were to consolidate at a conservative ratio of 7:1, (seven virtual servers to one physical server), using consolidation/virtualization we can reduce our current number of servers from seventy physical servers down to ten virtual servers. This reduction is cost effective and greatly reduces the amount of electricity expended to support the City's computing environment.			

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DISCUSSION:

Over the last year we have moved 12 physical servers into a virtualized environment, by virtualizing those physical servers that are at or near their end of their useful life. At the present time we are consolidating at a conservative ratio of seven physical servers to one virtual server. By doing so we are continually reducing the energy usage in our data center. Southern Californian Edison offers a financial incentive to its business customers who implement a variety of energy saving measures. Implementing server virtualization will qualify the City for a rebate under their Standard Performance Contract Program (Attachment 1). Pre-virtualization, Edison staff audited energy usage in our data center and later this year they will again audit our energy usage. Based on our energy reduction, a rebate will be determined. FYI, preliminary estimates indicate that on an annual basis that our Data Center uses 18.5 percent of the energy used in City Hall.

Server Virtualization

This purchase will accommodate the moving of approximately seven to ten more physical servers into a virtualized environment. Two of these servers currently support the City's JDE finance system, both of which are nearing the end of their useful lives and are due for replacement. Were the City to purchase physical servers, that cost would be approximately \$50,000 (this estimate is based on the cost of we incurred when these servers were last refreshed in 2002)

Virtualized Storage

With this purchase the City will increase storage capacity by five terabytes. As the City moves forward with its paperless initiative the primary resource necessary is electronic storage. Over the past year we have converted many historical documents (including plans, drawings, maps and images) to a digital format. This purchase will ensure that adequate storage space is available to continue this project.

Vendor Selection

We are recommending continuing with Forsythe Inc as the vendor for this project due to their familiarity with the City's environment and excellent performance to date. Per Culver City Municipal Code Section 3.07.065.D, there is an exemption from competitive bidding when the "component for equipment or a system is previously acquired by the City, and is necessary to repair, maintain or improve the City's utilization of the equipment." Attached are their quotes: \$13,455.72 for virtual server (Attachment 2), and \$38,132.56 for virtual storage (Attachment 3).

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FISCAL ANALYSIS:

Adequate funding is available in account 42000388.732150 to cover this purchase.

ATTACHMENTS:

1. SoCal Edison Standard Performance Contract
2. Forsythe Inc virtual server quote
3. Forsythe Inc virtual storage quote

MOTION:

That the City Council:

1. Waive the formal competitive bidding procedures; and,
2. Approve an Agreement with Forsythe, Inc. for the purchase of Hewlett Packard virtual server, storage hardware, and VMware virtual storage to refresh servers and enhance storage capacity in the City's data center for an amount not-to-exceed \$51,588.28; and,
3. Authorize the City Attorney to review/prepare the necessary documents; and,
4. Authorize the City Manager to execute such documents on behalf of the City.