

**City of Culver City, California
Agenda Item Report**

Meeting Date: <u>05/13/13</u>		Item Number: <u>C-11</u>	
CITY COUNCIL AGENDA ITEM: Approval of an Agreement to Purchase Replacement Enterprise Storage System Equipment and Related Installation and Maintenance Services from Hewlett Packard (Oak Park, CA) Through the Authorized Reseller Govplace (Irvine, CA).			
Contact Person/Dept.: David Leuck, IT		Phone Numbers: (310) 253-5950	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒	Attachments: ☒
Commission Action Required: Yes ☐ No ☒		Date: <u>N/A</u>	
Public Notification: Meetings and Agendas – City Council (05/07/13).			
Department Approval: Michele L. Williams (04/09/13)		City Attorney Approval: Carol Schwab (by H. Baker) (05/07/13)	
Chief Financial Officer Approval: Jeff Muir (05/07/13)		City Manager Approval: John M. Nachbar (05/07/13)	

RECOMMENDATION:

Staff recommends the City Council approve an agreement with GovPlace (Irvine, CA) for the purchase of Hewlett Packard (HP) enterprise storage system equipment, maintenance, and installation services to replace obsolete and at-capacity systems in the City's Data Center.

BACKGROUND:

In the early 1990s the City moved to a client-server computing environment. By 2007, the City's server infrastructure had grown dramatically. Departments deployed specialized applications to support business processes and increased productivity. The number of servers in the Data Center had grown from 4 to 70. The Data Center was nearing its physical capacity to hold servers and its electrical and cooling resources were at capacity to support them.

Server consolidation and the reduction of electrical and cooling needs were goals of the IT Department, and those needs were met by moving to a virtual server infrastructure. Virtual server technology enables one physical server to do the work of multiple servers. This project was approved by the City Council on December 10, 2007 and implemented beginning in 2008.

In the five years between 2008 and 2013, as expected as a result of the conversion project, electrical and cooling requirements have both dropped significantly. Growth has been partially offset through consolidation, and the City now operates over 85 servers; with nearly 2/3s of them being virtual servers.

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In a virtual server environment the Storage Area Network (SAN) is used to store the data for each server. At present, major functions of the City are now housed in the virtual environment including E-Mail, Finance, Payroll/Human Resources, Permit systems, Geographical Information Systems (GIS), the City's website, and many other department specific applications. The SAN is at capacity for data storage and the software supporting the environment is approaching end-of-life resulting in the need to replace the system.

DISCUSSION:

The City purchased a SAN (see Attachment A) and related devices and servers from Hewlett Packard to create the virtual server infrastructure. Over a five year period, the Information Technology Department (IT) enhanced the unit by adding additional storage space until the unit was at its maximum capacity (from 5 terabytes to 26 terabytes). IT has also updated the software used to operate and manage the hardware and virtual infrastructure to maintain high availability of services.

In late 2011 Hewlett Packard support informed IT that they would not be certifying the City's SAN equipment for the latest version of VMware which is the software product used by the City to run its virtual server infrastructure. They also informed IT that the network switches that carry information within the system would no longer be eligible for maintenance support after September 2013. The SAN storage system is also approaching end-of-life for maintenance and support. Without access to maintenance coverage for the SAN components or certification of compatibility with software, the City is vulnerable to a failure which could impact the delivery of critical services.

The SAN and related network infrastructure are vital components of the City's technology systems. Discussions with Hewlett Packard and research of replacement options took place over the course of 2012 to identify a solution strategy, costs, and a vendor to implement the change.

The goals of the effort were:

- Smooth transition with minimum amount of downtime for the City
- Selection of technology that the City would be able to maintain and would be compatible with existing software for an extended life cycle
- Compatibility with the existing Hewlett Packard enterprise class servers in the virtual environment
- Ability to expand the storage space and speed of communication as the City's needs grow

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Vendor Selection

IT researched technology from several vendors and concluded that continuing with a Hewlett Packard solution was in the best interest of the City given existing staff skills and the need to maintain hardware continuity. The decision to select HP was based on consideration of several factors:

- The provisioning of HP replacements would allow a smooth integration with existing HP servers and avoid any support issues with introducing multiple vendors' solutions
- HP implementers have tools to connect the old unit with the new unit to allow the systems to forward the data from the old system to the new with minimal downtime and service interruption to the City
- The existing skills and training of IT staff would easily transition to the new HP system
- The resulting system has about twice the available storage (50.4 terabytes) compared to the current system and is able to support future growth to over 800 terabytes removing space limitations as a barrier to growth.
- At the conclusion of the transition process HP will buy back the old system resulting in additional savings.

Competitive bidding and pricing

Purchasing a Hewlett Packard SAN solution requires that the customer obtain preferred pricing from an authorized dealer identified by HP. Govplace is the authorized vendor identified by HP.

To ensure that the City receives competitive pricing IT has worked with the vendor to verify that the pricing given to the City meets or exceeds the Western States Contracting Alliance (WSCA) cooperative purchasing contract (see Attachment B). GovPlace has confirmed in their bid documents that they conform to WSCA contract B27164.

This procurement is exempt from competitive bidding requirements per Culver City Municipal Code Sections 3.07.045(A)(B)(E), and (G). Section 3.07.045(A) excepts bidding requirements "when the needed equipment, supplies or services are proprietary items of original equipment manufacturers and/or their authorized exclusive distributors." Section 3.07.045(B) excepts bidding requirements "when the equipment is a component for equipment or a system of equipment previously acquired by the City, and is necessary to repair, maintain or improve the City's utilization of the equipment." Section 3.07.045(E) excepts bidding requirements "where the items to be purchased are computer software, hardware maintenance services or software maintenance Services." This procurement meets those requirements.

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Govplace of Irvine, CA is the vendor in the region authorized by the manufacturer to provide the preferred pricing offered through the contract with WSCA. Therefore, staff recommends approving an agreement with Govplace in the amount of \$149,323.31, including all fees and taxes.

FISCAL ANALYSIS:

Funding is available in the Computer Replacement Account 30724100 for this expenditure.

The purchase price includes the equipment, installation, three years of hardware maintenance, and a post installation consulting contingency. See Attachment C.

MOTIONS:

That the City Council

1. Approve an Agreement to purchase equipment and related maintenance and installation services to replace an enterprise Storage Area Network (SAN) with Govplace of Irvine, CA in the amount of \$149,323.31; and,
2. Authorize the Chief Information Officer to approve renewals of the maintenance on the SAN and related systems for the virtual environment during the term of service with the City;
3. Authorize the City Attorney to review/prepare any necessary documents; and,
4. Authorize the City Manager to execute such documents on behalf of the City.