Legislation Details (With Text)

File #:	19-204	**Version:**	3	**Name:**	
Type:	Consent Item			**Status:**	Passed
File created:	4/9/2019			**In control:**	City Council/Public Finance and Economic Development Authority/Parking Authority/Successor Agency to the Redevelopment Agency
On agenda:	6/17/2019			**Final action:**	6/17/2019

Title: SUBJECT: Authorization to Waive the Competitive Bidding Requirements to Allow Cooperative Purchasing Through the Competitively Bid State Technology Contract 1-19-70-19B-2 and Authorization to Purchase Technology Hardware, Software, Warranty, and Service Including, but not Limited to, Enterprise Technology Cisco Data Center Equipment in a not to Exceed Amount of $115,000 Pursuant to the State Contract

REPORT IN BRIEF
Authorization to purchase technology Hardware, software, warranty, and services through the competitively bid State Technology Contract 1-19-70-19B-2 Enterprise Technology Cisco Data Center Equipment in a not to exceed amount of $115,000.

RECOMMENDATION
City Council - Adopt a motion waiving the City's competitive bidding requirement and authorizing the purchase of Technology Hardware, Software, Warranty, and Services through the State of California contract 1-19-70-19B-2 Enterprise Technology Cisco Data Center Equipment in a not to exceed amount of $115,000; and, authorizing the City Manager or the Assistant City Manager to execute any necessary documents for the purchases specified above.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 1-19-70-19B-2 Enterprise Technology Cisco Data Center Equipment.pdf

Date	Ver.	Action By	Action	Result
6/17/2019	3	City Council/Public Finance and Economic Development Authority/Parking Authority/Successor Agency to the Redevelopment Agency	approved	Pass

Report Prepared by: Jeff Bennyhoff, Director of Information Technology

SUBJECT: Authorization to Waive the Competitive Bidding Requirements to Allow Cooperative Purchasing Through the Competitively Bid State Technology Contract 1-19-70-19B-2 and Authorization to Purchase Technology Hardware, Software, Warranty, and Service Including, but not Limited to, Enterprise Technology Cisco Data Center Equipment in a not to Exceed Amount of $115,000 Pursuant to the State Contract

REPORT IN BRIEF

Authorization to purchase technology Hardware, software, warranty, and services through the competitively bid State Technology Contract 1-19-70-19B-2 Enterprise Technology Cisco Data Center

Equipment in a not to exceed amount of $115,000.

RECOMMENDATION

City Council - Adopt a motion waiving the City's competitive bidding requirement and authorizing the purchase of Technology Hardware, Software, Warranty, and Services through the State of California contract 1-19-70-19B-2 Enterprise Technology Cisco Data Center Equipment in a not to exceed amount of $115,000; and, authorizing the City Manager or the Assistant City Manager to execute any necessary documents for the purchases specified above.

ALTERNATIVES

1. Approve, as recommended by staff or;
2. Deny or;
3. Refer to staff for reconsideration of specific items;

AUTHORITY

Merced City Charter, Section 200. Municipal Code Section 3.04.210-Exemptions from competitive bidding.

CITY COUNCIL PRIORITIES

As provided for in the 2018-19 Adopted Budget

DISCUSSION

The State of California Department of General Services routinely issues and awards RFP for technology hardware, software, warrant and services. The state recently awarded new technology contract in April of 2019 that are valid through March/April of 2022. These contracts cover many of the types of equipment the City currently utilizes for our technology needs. All state agencies are required to procure hardware and software through these contracts. Local government may "piggyback" off of these contracts to get the same buying power, terms, and discounts as the state agencies. The City has used these contracts over the last several years to archive significant cost savings compared to what we can negotiate directly.

In 2014 the City put out an RFP for a Storage Area Network (SAN) piece of equipment. We received multiple proposal. Two vendors proposed nearly identical equipment, one vendor leveraged the state contract and other did not. There was $507,000 saving in leveraging the state contract.

The Information Technology Department is requesting approval to waive the competitive bidding process for the purchase of hardware, software, warranty and services off the competitively bid state contract to replace our aging network switches. Section 3.04.210 of the Merced Municipal Code provides that the City Council can approve a waiver of the City's competitive bidding requirements when such purchases are made pursuant to cooperative purchasing in conjunction with other governmental entities.
The City's network switches were purchased in 2004. The anticipated useful life of the network switches is between 7 to 10 years. The City has utilized the switches for 15 years, almost double the normal life span. The switches are failing at an increasing rate and no longer meeting the operational or regularity requirements for the City.

The Information Technology Department requests to replace the network fleet in three (3) phases,

one phase per fiscal year starting in 2018/2019. The total cost to replace all of the aging network equipment is approximately $345,000. The department is requesting approval to purchase phase one equipment in fiscal 2018/2019 with money saved through the fiscal year, not to exceed $115,000. Each year Information Technology will work with Finance and all departments with an allocated share of the cost to determine if budget savings available. IT will come back to Council for approval to purchase the next phase of equipment.

IMPACT ON CITY RESOURCES

Funding will be determined at the end of each fiscal year. If savings are available within each department budget that has an allocated share of the cost, then IT will be able to leverage the discounted buying power of the state contracts.

ATTACHMENTS

1. 1-19-70-19B-2 Enterprise Technology Cisco Data Center Equipment

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