



CITY OF LONG BEACH

R-13

DEPARTMENT OF TECHNOLOGY SERVICES

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May 15, 2012

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute all documents necessary with Advanced Systems Group for the purchase of a server disk storage system, and execute related lease financing documents with Banc of America Public Capital Corporation in an amount not to exceed \$284,000 over a five-year period, or approximately \$56,800 annually. (Citywide)

DISCUSSION

The Technology Services Department's (TS) Data Center hosts over 300 servers that support the City's business information systems. Data from these systems is maintained on server disk storage technology. This item requests City Council approval to replace existing data storage technology that will reach the end of life and will no longer be supported by the vendor as of June 30, 2012.

In February 2012, a Request for Proposals (RFP) for server storage technology was submitted for posting. The RFP was advertised in the Press-Telegram on February 22, 2012, and 929 potential proposers specializing in server storage technology were notified of the proposal opportunity. Of those proposers, 41 downloaded the RFP via our electronic bid system. The RFP document was made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at www.longbeach.gov/purchasing. An RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 30 local, minority, and women-owned business groups. Three proposals were received on March 22, 2012. Of those three proposers, one was a Minority-owned Business Enterprise (MBE), none were Women-owned Business Enterprises (WBEs), two were Small Business Enterprises (SBEs), and none were Long Beach businesses (Local).

In an effort to align with our outreach goal, Long Beach businesses were encouraged to submit proposals for City contract. The Purchasing Division also assisted businesses

with registering on the Bids Online database to download the RFP. Through outreach, three Long Beach vendors were contacted to submit proposals, of which none downloaded or submitted proposals. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

After all proposals for both local and cloud solutions were evaluated, staff recommends acquiring the Hitachi Virtual Storage Platform (VSP) proposed by Advanced Systems Group (ASG). In comparison with the other vendors, ASG proposed a much lower cost than the second place vendor, as well as provided the most comprehensive proposal for the professional services to migrate our data from the existing storage system to the new Virtual Storage Platform. The recommended system is also the most energy efficient and flexible storage system proposed.

Authorization is also requested to finance the lease/purchase through the Banc of America Public Capital Corporation's Master Lease Agreement (Agreement) approved by the City Council on May 10, 2011. Lease/purchase financing provides a cost-effective alternative to facilitate the purchase of essential capital assets.

This matter was reviewed by Deputy City Attorney Gary Anderson on April 25, 2012 and by Budget Management Officer Victoria Bell on April 26, 2012.

TIMING CONSIDERATIONS

Maintenance agreements for our current storage solution will expire on June 30, 2012. City Council action is requested on May 15, 2012 to allow the City to continue to use this technology and avoid service disruption.

FISCAL IMPACT

The total amount to be financed (principal amount) under the Banc of America Public Capital Corporation Lease Agreement will not exceed \$261,221, and will be financed over a five-year period at an estimated two percent annual rate. Total debt service costs (principal and interest) will be approximately \$284,000 over the five-year life of the lease/purchase financing, or \$56,800 per year. Costs for server storage services are passed through to client departments via the Technology Services MOU. Sufficient funds are budgeted in the General Services Fund (IS 385), as well as client department budgets, to support this activity. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CURTIS TANI
DIRECTOR OF TECHNOLOGY SERVICES

APPROVED:



PATRICK H. WEST
CITY MANAGER