

CONSENT CALENDAR July 2, 2013

To: Honorable Mayor and Members of the City Council

From: (Christine Daniel, City Manager

Submitted by: Donna LaSala, Director, Department of Information Technology

Subject: Contract No. 6096B Amendment: ESI Group for IBM Hardware and Software

Lease

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to amend Contract No. 6096B with ESI Group for leasing, maintenance, technical support, and consulting services for International Business Machines (IBM) hardware and software, increasing the current contract by \$112,000, for a total not to exceed \$1,240,000 from June 2, 2003 through June 30, 2014.

FISCAL IMPACTS OF RECOMMENDATION

Funds for this contract are allocated in the Department of Information Technology baseline budget:

\$97,000 Hardware and Software Lease

Budget Code: 610-2750-410-7044

(Capital Fund, Information Technology, Computer Hardware)

\$15,000 Consulting Services

Budget Code: 010-2704-410-3038

(General Fund, Information Technology, Professional Services)

The contract amendment has been entered into the City's contract database and assigned CMS No: VHRQX.

CURRENT SITUATION AND ITS EFFECTS

ESI Group provides lease servicing, hardware and software maintenance, technical support, disaster recovery, and consulting services for the IBM infrastructure that hosts the City's FUND\$ system. This contract is critical to providing a high-availability infrastructure for all nineteen FUND\$ modules, including payroll, accounting, billing, permitting, and purchasing.

BACKGROUND

IBM infrastructure has been required to host FUND\$ since its initial implementation in 1989. In 2003, the City contracted with ESI Group for IBM infrastructure leasing, 24x7 telephone/web support, 4 hour maximum parts replacement, co-location for disaster recovery, and hardware/software maintenance. In June 2011, staff negotiated an upgrade to improved hardware and a lowered yearly lease payment, for an annual savings of \$30,000. In January 2013, the City issued a Request for Proposals (RFP), Specification No. 13-10703-C, to explore additional options for this lease; ESI Group was the only certified IBM Partner to respond. Staff recommends renewing the contract with ESI Group for one year to provide uninterrupted service while the City examines the market for certified IBM Partners and reassesses infrastructure needs as FUND\$ module replacements progress.

ALTERNATIVE ACTIONS CONSIDERED

Staff considered the possibility of switching vendors and issued an RFP to examine the City's options; however, ESI Group was the only certified IBM Business Partner to respond. Staff also considered renewing this contract for more than one year, but recommends against this without another competitive bid for comparison.

CONTACT PERSON

Donna LaSala, Director, Department of Information Technology, 981-6541

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

CONTRACT NO. 6096B AMENDMENT: ESI GROUP FOR IBM HARDWARE AND SOFTWARE LEASE

WHEREAS, the City of Berkeley relies upon software systems for critical business activities such as including payroll, accounting, billing, permitting, and purchasing; and

WHEREAS, International Business Machines (IBM) hardware and software is required to host the these systems; and

WHEREAS, ESI Group was the only vendor to respond to the City's Request for Proposals (Specification No. 13-10703-C) for IBM leasing, maintenance, technical support, and consulting services; and

WHEREAS, funds are allocated in Budget Codes 610-2750-410-7044 (\$77,000 in FY 2013 and \$20,000 in FY 2014) and 010-2704-410-3038 (\$15,000 in FY 2013). CMS No. VHRQX.

NOW THEREFORE BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to amend Contract No. 6096B with ESI Group for leasing, maintenance, technical support, and consulting services for International Business Machines (IBM) hardware and software, increasing the current contract by \$112,000, for a total not to exceed \$1,240,000 from June 2, 2003 through June 30, 2014.