



ST. CHARLES  
SINCE 1834

**AGENDA ITEM EXECUTIVE SUMMARY**

Title:	Recommendation to Waive the Formal Bid Process and Approve the Purchase of High Availability / Disaster Recovery Hardware, Software, and Implementation Services in an amount not to exceed \$37,477.93
Presenter:	Penny Lancor, Systems Analyst / Programmer

*Please check appropriate box:*

<input checked="" type="checkbox"/>	Government Operations (3/3/14)	<input type="checkbox"/>	Government Services
<input type="checkbox"/>	Planning & Development	<input type="checkbox"/>	City Council
<input type="checkbox"/>	Public Hearing	<input type="checkbox"/>	

Estimated Cost:	\$37,477.93	Budgeted:	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
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If NO, please explain how item will be funded:

**Executive Summary:**

High Availability/Disaster Recovery Hardware, Software, and Implementation Services are being proposed to provide high availability and redundancy for the City's IBM server, currently used for the Utility Billing and Maintenance application. In case of failure or disaster at either Century Station or the Public Works facility, the application will automatically switch to run at the remaining location to provide limited, if any, downtime and protection against data loss.

This project is currently in the approved budget.

**Attachments:** *(please list)*

Memo  
Quote from IT Solutions Group, Inc.  
Bid waive document

**Recommendation / Suggested Action** *(briefly explain):*

Recommendation to waive the formal bid process and approve the purchase of high availability/ disaster recovery hardware, software, and implementation services in an amount not to exceed \$37,477.93.

*For office use only:*      *Agenda Item Number: 6a*



# Memo

DATE: February 20, 2014

TO: City Council Members

Mayor Ray Rogina

Mark Koenen

FROM: Penny Lancor

SUBJECT: Recommendation to waive bid process and purchase high availability / disaster recovery hardware, software, and implementation services

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The City's Utility Billing and Maintenance application runs on an IBM server. Currently, the City relies on daily data backups stored on magnetic tape. In the case of a failure or disaster, this could leave the City's Utility Billing and Maintenance application unavailable until a new server is secured and data is restored from tape. Additionally, by relying on daily backups, there is a potential for up to 24 hours of lost data. Until recently, costs to provide high availability with continuous data protection have been cost prohibitive for an organization of the City's size.

With IBM's introduction of PowerHA, high availability and continuous data protection are now within the reach of the City. The costs for this project are in the current approved budget. Upon seeking costs, we have found that this project can be accomplished for approximately 30% less than originally anticipated. The preferred vendor is IT Solutions Group, Inc. ITSG has successfully completed projects for the City in the past and has become a trusted partner.

IBM's business partner pricing policy is such that the lowest cost is given to only one business partner. As such, we are seeking a bid waiver. City staff has contacted other IBM business partners, but they declined the City's business or revoked their offer. As reasoning, they cited IBM's pricing policy that would cause them to charge costs higher than the City's quote from IT Solutions Group, Inc. IT Solutions Group, Inc. quote of \$37,477.93 is 6.3% lower than that received from and revoked by another IBM business partner, TSG Server and Storage.

Customer:	City of St. Charles
Solution:	Power 7 W/Power HA
Date:	1/30/2013
Agreement #	01302014_01



**IT Solutions Group, Inc.**

<b>New Power 7 System CBU</b>	<b>Price</b>
Hardware	\$16,349.00
3 Year Hardware Maintenance	\$1,000.00
Software	\$4,217.00
3 Year Software Maintenance	\$3,235.00
Power HA	\$3,925.00
Power HA 3 Year Software Maintenance	\$1,228.00
New Power 7 CBU List Price	\$29,954.00
<b>ITSG Discounted Solutions Price</b>	<b>\$24,977.93</b>
<b>Installation Services ITSG</b>	
Installation, Migrate, Power HA Setup	\$12,500.00

Signature \_\_\_\_\_

Date \_\_\_\_\_

PO # \_\_\_\_\_

Since 1999, ITSG has provided customers with the highest level of System i technical support, product knowledge, and customer satisfaction.



**REQUEST FOR WAIVING BID PROCEDURE**

We request the City Council to waive the bid procedure and accept the quotation (requiring two-thirds City Council vote) submitted by:

IT Solutions Group, Inc.

For the purchase of: High Availability / Disaster Recovery hardware, software and services.

At a cost not to exceed: \$37,477.93.

Reason for the request to waive the bid procedure: IBM's pricing policy for business partners is such that the lowest cost is given to only one business partner. City staff has contacted other business partners, but they declined the City's business or revoked their offer. As reasoning, they cited IBM's pricing policy that would cause them to charge costs higher than the City's quote from IT Solutions Group, Inc. IT Solutions Group, Inc. has successfully completed previous projects for the City, and it's quote of \$37,477.93 is 6.3% lower than that received from and revoked by TSG Server and Storage.

Other Quotations Received: TSG Server and Storage (see attached)

Date: February 18, 2014

Requested by: \_\_\_\_\_

Department Director: \_\_\_\_\_

Purchasing Manager: \_\_\_\_\_

**THIS REQUEST FORM MUST BE SIGNED BY ALL PARTIES PRIOR TO REQUESTING COMMITTEE APPROVAL FOR WAIVING OF THE BID PROCEDURE. REQUESTS FORWARDED DIRECTLY TO THE CITY COUNCIL (AND BYPASSING COMMITTEE) MUST BE SIGNED BY ALL PARTIES PRIOR TO REQUESTING CITY COUNCIL APPROVAL. SUCH REQUESTS ARE TO BE OF AN EMERGENCY NATURE WHERE TIME IS OF THE ESSENCE.**

## TSG Server and Storage

Description	List Price	Net Price
<b>New Power System 720 CBU</b>		
Hardware	\$17,748.00	\$15,085.80
3 Year Hardware Maintenance	\$1,000.00	\$1,000.00
Software	\$2,363.00	\$2,026.25
3 Year Software Maintenance	\$3,406.00	\$2,895.10
Power HA	\$3,250.00	\$2,762.50
3 Year Software Maintenance	\$1,228.00	\$1,228.00
<b>New Power System 720 Total CBU</b>		<b>\$24,997.65</b>
<b>POWER HA Implementation Services</b>		<b>\$15,000.00</b>
<b>Final Price to City of St. Charles</b>		<b>\$39,997.65</b>