



# Staff Report

## City of Manhattan Beach

**TO:** Honorable Mayor Montgomery and Members of the City Council

**THROUGH:** Geoff Dolan, City Manager

**FROM:** Bruce Moe, Finance Director  
Leilani Flores Emnace, Information Systems Manager

**DATE:** October 7, 2008

**SUBJECT:** Consideration of One-Year Renewal of Storage Area Network Maintenance Agreement with Nth Generation Computing, Inc. in the Amount of \$25,002.

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**RECOMMENDATION:**

Staff recommends that the City Council a) waive formal bidding per Municipal Code Section 2.36.140 (waivers) and b) approve the renewal of a one-year Storage Area Network maintenance agreement with Nth Generation Computing, Inc. in the amount of \$25,002.

**FISCAL IMPLICATION:**

Sufficient funds are available in the Information Systems Division budget to renew the annual maintenance agreement.

**BACKGROUND:**

In 2003, City Council approved the purchase of the Hewlett Packard Storage Area Network (SAN) solution in the amount of \$248,946.13. The SAN is essential and provides backup, recovery and centralized management of data storage for the City's mission critical applications on over twenty-five network servers. The initial contract with the installing vendor, Nth Generation Computing, Inc., included three years of maintenance and support; the contract was renewed in November 2007. The current contract is expiring, requiring a renewal of the support agreement. Renewal of this contract is necessary in order to obtain continued four-hour response twenty-four hours per day, 365 days per year, on all service calls.

**DISCUSSION:**

The original contract award to Hewlett Packard/Nth Generation was determined through a competitive bid process and involved evaluating eight proposals. Further research and follow-up took place to evaluate hardware, software, management tools, and vendor installation and service capabilities. The vendors' sites were visited specifically to meet with the professional services installation and data migration teams as well as customer site visits. After months of research, review, and discussion, staff selected the Hewlett Packard solution, which was purchased from and installed by Nth Generation.

While Hewlett-Packard SAN support may be obtained from sources, staff recommends renewing the maintenance agreement with Nth Generation. Since installation, Nth Generation has assisted the City in numerous intricate storage and hardware upgrades and software updates; they are familiar with the systems' configuration to the component level. This vendor has consistently performed well, is responsive, and has provided excellent support during these past four years. Additionally, the support cost of \$25,002 is approximately ten percent of the initial purchase price. This is very reasonable since it is common that technical maintenance support costs usually are priced at fifteen percent or more of the initial purchase price.