





Staff Report

City of Manhattan Beach

TO: Honorable Mayor Cohen and Members of the City Council

THROUGH: Geoff Dolan, City Manager 

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

DATE: October 20, 2009

SUBJECT: Consideration of One-Year Renewal of Storage Area Network Maintenance Agreement with Nth Generation Computing, Inc. in the Amount of \$22,541

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 \$22,541.

FISCAL IMPLICATION:

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

BACKGROUND:

In 2003, City Council approved the purchase of the Hewlett Packard Storage Area Network (SAN) solution (total cost of \$248,946). 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 has been renewed twice. Since the existing contract is expiring, it requires a renewal of the support agreement. This contract renewal is essential in order to obtain continued four-hour response twenty-four hours per day, 365 days per year, on all service calls.

DISCUSSION:

Hewlett Packard/Nth Generation received the original contract award through a competitive bidding process including the evaluation of eight proposals. Additional research and follow up were performed to assess hardware, software, management tools, and vendor installation and service capabilities. The vendors' sites were visited particularly to meet with the professional services and data migration teams as well as customer visits. After months of thorough 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 other sources, staff recommends renewing the maintenance agreement with Nth Generation. Since installation, Nth Generation has successfully assisted the City in numerous complex storage and hardware upgrades and software updates; they are familiar with the system's configuration to the component level. In addition, this vendor has consistently performed well, is responsive, and has provided excellent support during the last several years. Even though the maintenance cost of \$22,541 is approximately ten percent of the initial purchase cost, it is reasonably rated based on common industry practice to charge fifteen or more percent of the initial purchase price for support coverage.