



Office of the City Manager

CONSENT CALENDAR  
January 29, 2019

To: Honorable Mayor and Members of the City Council  
From: Dee Williams-Ridley, City Manager  
Submitted by: Savita Chaudhary, Director, Department of Information Technology  
Subject: Contract No. 6096F Amendment: IBM Hardware and Software Lease

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to amend Contract No. 6096F with ESI Group for leasing, maintenance, technical support, and consulting services for International Business Machines (IBM) hardware lease and software maintenance and support, increasing the current contract by \$352,000, for a total not to exceed \$2,034,769 from June 2, 2003 through June 30, 2021.

FISCAL IMPACTS OF RECOMMENDATION

Funding for the additional scope of work in the amount of \$352,000 is available in the Fiscal Year 2019, 2020, and 2021 Department of Information Technology’s Cost Allocation fund. Spending for this amendment in future fiscal years is subject to Council approval of the proposed city-wide budget and Annual Appropriation Ordinances.

\$75,000	FY19 - Hardware Lease including IBM Software Maintenance and Support Budget Code: 680-35-362-376-0000-000-472-613130-
\$135,000	FY20 - Hardware Lease including IBM Software Maintenance and Support Budget Code: 680-35-362-376-0000-000-472-613130-
\$142,000	FY21 - Hardware Lease including IBM Software Maintenance and Support Budget Code: 680-35-362-376-0000-000-472-613130-
<b>\$352,000</b>	<b>Grand Total Hardware Lease and Software Maintenance and Support</b>

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 # 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.

In 2018 the City has replaced Core Financials Procurements modules including Project and Budget modules. Over the next 5 years, the City will replace additional FUND\$ modules, including Human Resources, Payroll and other core financials such as Accounts Receivables, General Billing.

Staff recommends renewing the contract with ESI Group for three years to provide uninterrupted service while the City reassesses infrastructure needs as FUND\$ module replacements continue.

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.

ENVIRONMENTAL SUSTAINABILITY

The IBM hardware and software platform is optimized for maximum energy efficiency.

CONTACT PERSON

Savita Chaudhary, Director, Department of Information Technology, 981-6541

Attachments:

1: Resolution

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

CONTRACT NO. 6096F AMENDMENT: 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 # 13-10703-C) for IBM leasing, maintenance, technical support, and consulting services; and

WHEREAS, funding is allocated in the Department of Information Technology's Fiscal Year 2019, 2020, and 2021 Cost Allocation Fund. Spending for this amendment in future fiscal years is subject to Council approval of the proposed city-wide budget and annual appropriation ordinances.

NOW THEREFORE BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to amend Contract No. 6096F with ESI Group for leasing, maintenance, technical support, and consulting services for International Business Machines (IBM) hardware and software, increasing the current contract by \$352,000, for a total not to exceed \$2,034,769 from June 2, 2003 through June 30, 2021.

