

**COUNCIL ACTION FORM**

**SUBJECT: AWARD OF CONTRACT TO VERTICAL VAR, LLC FOR REPLACEMENT OF IBM POWER6 SERVER WITH AN IBM POWER8 SERVER**

**BACKGROUND:**

In December 2017, the City of Ames issued a Request for Proposals (RFP) to solicit proposals from vendors qualified to design, configure, and install a complete operating IBM Power8 server, a Storwize V5010 Storage Area Network Controller, and a hardware management console. The RFP required that the selected vendor have experience and certifications in implementing IBM Power8 server solutions in businesses and/or local government agencies of similar size to Ames. The successful vendor is responsible for the design, procurement, and installation and commissioning of the Power8 server system including migration of Superior, LLC Public Sector software applications and connection to existing network resources. The Superior software includes all of the City's financial applications.

**The IBM Power8 server and associated equipment will replace an IBM Power6 server that was installed in September of 2009. After more than eight years in service, it has reached the end of its technological life. This server is no longer upgradeable and is not capable of running the latest IBM software.**

The City solicited proposals from 18 vendors and on January 5, 2018, one proposal was received:

<u>Vendor</u>	<u>Total Proposed Cost</u>
Vertical VAR, LLC, Chamblee, GA	\$75,600

The City's financial software provider, Superior, notified the City that Vertical VAR, LLC is the only Premier IBM Business Partner that provides IBM hardware and maintenance for Superior, LLC Public Sector applications. Vertical VAR, LLC is approved by Superior, LLC to determine the needs and resources required for Superior applications and certify the products offered to Superior, LLC customers. **This notice did not constitute a single or sole source designation according to the Purchasing Policies and Procedures, so staff proceeded with the RFP.**

The FY 2017/18 budget includes \$414,190 as a pooled amount to replace information technology equipment, including replacement of the IBM Power6 server with an IBM Power 8 Server. Of this total budget amount for equipment replacement, the IBM Power6 replacement was estimated at \$73,125. Staff is confident that all planned

replacements can be made within this budgeted amount, and that the proposal received from Vertical VAR, LLC is a fair price.

**ALTERNATIVES:**

1. Award a contract to Vertical VAR, LLC for an IBM Power8 S814 database and business processing server, data storage appliance, tape drive, peripherals, and associated implementation services at a total cost of \$75,600.
2. Reject the proposal and re-bid at a later date.

**MANAGER'S RECOMMENDED ACTION:**

The purchase of the IBM Power8 S814 server will increase the server processing power, provide greater uptime for applications, and simplify data backups while positioning the City to run the latest IBM software.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the award of a contract to Vertical VAR, LLC for an IBM Power8 S814 database and business processing server, data storage appliance, tape drive, peripherals, and associated implementation services at a total cost of \$75,600.