



Chandler - Arizona  
Where Smart Ideas For Progress

**PURCHASING ITEM  
FOR  
COUNCIL AGENDA**

**1. Agenda Item Number:**

42

**2. Council Meeting Date:**  
October 23, 2014

**TO: MAYOR & COUNCIL**

**3. Date Prepared:** September 30, 2014

**THROUGH: CITY MANAGER**

**4. Requesting Department:** City Manager

**5. SUBJECT:** Purchase of network and server equipment

**6. RECOMMENDATION:** Recommend approval of the utilization of AZ State contract #ADSP012-024622 for the purchase of Cisco network and server equipment from Nexus IS, Inc., in the amount of \$831,847.

**7. HISTORICAL BACKGROUND/DISCUSSION:** Most City of Chandler information technology infrastructure equipment is evaluated after 5 years of operation to determine reliability and viability for continued use. Equipment operating core Citywide databases, Citywide financials and human resources systems, criminal justice systems and network infrastructure has been evaluated this fiscal year under this methodology. It has been determined that this equipment has reached end of useful life and needs to be replaced to reduce the risk of unplanned outages. All equipment has been in use for over 5 years and is being replaced as part of the technology replacement cycle.

Cisco server technology offers the level of reliability and performance that meets the City standards for service. The focus of this purchase is to replace the existing server equipment for the Oracle E-Business Suite (Citywide financials and human resources system) related server hardware as well as the Oracle database hardware for Citywide applications such as Permits & Inspections, Geographic Information Systems, Criminal Justice Information Systems and other Citywide or departmental applications.

The Cisco networking infrastructure that is in need of replacement for this fiscal year includes equipment that is installed in various remote City facilities that enables connectivity to critical City technology services that are provided on centralized systems. This connectivity is crucial to processes that require connectivity to City technology services and systems.

NEXUS IS, Inc., is an authorized reseller of Cisco hardware, has a participating Western States Contracting Alliance contract and was able to work with the City and Cisco to authorize additional savings outside of standard negotiated discounts.

**8. EVALUATION PROCESS:** Cisco network and server equipment and services were competitively bid by the State and a contract was awarded to Nexus IS, Inc., in May 2012 and the contract has been extended through May 2015. The contract allows for a minimum 40% discount off of list price for equipment. Nexus IS, Inc., is providing a 47% discount off of list price on the equipment.

**9. FINANCIAL IMPLICATIONS:**

Cost: Equipment	\$ 647,655
5 years maintenance	\$ 155,232
Installation services	\$ 28,960
Total	\$ 831,847

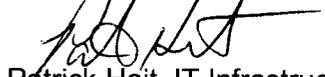
Fund Source:

<u>Acct. No.</u>	<u>Fund</u>	<u>Amount</u>
403.1290.6315.000000	Technology Replacement	\$831,847

**10. PROPOSED MOTION:** Move to approve the utilization of AZ State contract #ADSPO12-024622 for the purchase of Cisco network and server equipment from Nexus IS, Inc., in the amount of \$831,847.

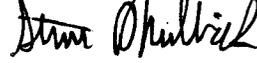
**APPROVALS**

**11. Requesting Department**



Patrick Hait, IT Infrastructure Manager

**12. Department Head**



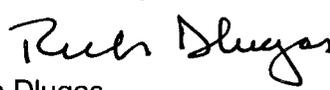
Steven Philbrick, Chief Information Officer

**13. Procurement Officer**



Carolee Stees, CPPB

**14. City Manager**



Rich Dlugas