



Chandler - Arizona  
When Great Ideas Take Hold

**PURCHASING ITEM  
FOR  
COUNCIL AGENDA**

1. Agenda Item Number:

44

2. Council Meeting Date:

August 13, 2015

TO: MAYOR & COUNCIL

3. Date Prepared: July 23, 2015

THROUGH: CITY MANAGER

4. Requesting Department: City Manager

5. SUBJECT: Purchase of Cisco Network, Server, and Storage Equipment

6. RECOMMENDATION: Staff recommends City Council approve the utilization of AZ State Contract #ADSPO12-024622, with Nexus IS, Inc., for the purchase of Cisco network, server, and storage equipment, in the amount of \$1,581,788.52.

7. HISTORICAL BACKGROUND/DISCUSSION: The City of Chandler information technology network, server and storage equipment is evaluated after 5 years of operation to determine reliability and viability for continued use. An annual review of equipment has determined that the equipment identified below 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. Server and storage equipment that is in need of replacement for this fiscal year includes the VMWare vSphere related server hardware providing consolidated, virtualized server environments for numerous Citywide and departmental applications. Also included in this replacement cycle is the Oracle database hardware for Citywide applications such as Permits and 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 City facilities and enables connectivity to City technology services that are provided on centralized systems. This connectivity is necessary for 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. The contract provides for a minimum of a 40% discount off of list price. Nexus IS, Inc., is providing a 47% - 56% discount off of list price, based on the items purchased.

8. EVALUATION PROCESS: The State of Arizona competitively solicited and awarded a contract for network, server and storage equipment in 2012. The City has a current Intergovernmental Agreement with the State allowing for the cooperative use of the State's contracts. Cisco network and server equipment was competitively bid by the State and a contract was awarded to Nexus IS, Inc., in May 2012. The contract is valid through May 2016.

**9. FINANCIAL IMPLICATIONS:**

Cost: Equipment	\$1,176,446.55	
5 years maintenance	\$ 297,618.55	
Installation services	\$ 107,723.42	
Total	\$1,581,788.52	
Long Term Costs:	\$ 316,357.70	(ongoing future replacement cost annual contribution already budgeted in the Technology Replacement Fund)

Fund Source:

Acct. No.:

403.1290.6315.000000

Fund Name:

Technology  
Replacement

Program Name:

No Program

CIP Funded:

No

Amount:

\$1,581,788.52

**10. PROPOSED MOTION:** Move City Council approve the utilization of AZ State Contract #ADSPO12-024622, with Nexus IS, Inc., for the purchase of Cisco network, server, and storage equipment, in the amount of \$1,581,788.52.

**APPROVALS**

**11. Requesting Department**

  
Patrick Hait, IT Infrastructure Manager

**12. Department Head**

  
Steven Philbrick, Chief Information Officer

**13. Procurement Officer**

  
Carolee Stees, CPPB

**14. Acting City Manager**

  
Marsha Reed