



CITY COUNCIL AGENDA REPORT

MEETING DATE: October 18, 2004

ITEM NUMBER:

SUBJECT: RESOLUTION AUTHORIZING THE SOLE SOURCE PURCHASE OF THE SERVER AND E-MAIL UPGRADE

DATE: September 20, 2004

FROM: Administrative Services Department / M.I.S. Division

PRESENTATION BY: Richard Kirkbride M.I.S. Manager

FOR FURTHER INFORMATION CONTACT: Richard Kirkbride 714-754-5154

RECOMMENDATION:

Adopt a resolution authorizing the sole source purchase of the Server and E-Mail Upgrade from Hewlett Packard, 1421 South Manhattan Ave., Fullerton, California, 92631 for a total cost not to exceed \$100,000.00. Authorize the City Manager to sign the necessary purchase requisitions for services and hardware.

BACKGROUND:

In 1996 the City migrated from a mainframe environment to a client server environment. We currently support approximately a dozen servers within the City's domain. These systems were last upgraded in 1999 to use NT4.0 as an operating system and Exchange 5.5 for E-Mail. The City relies on these systems to perform all of their computer related tasks. These systems are under a long-term support agreement with Hewlett Packard.

ANALYSIS:

The NT4.0 operating system and Exchange 5.5 are both being dropped from support by Microsoft and our Anti Virus vendor. Without technical support for the systems and protection from virus attacks the City's ability to protect its systems will be in jeopardy. Without these systems our ability to perform daily functions would revert to manual processes. The result would be a significant decline in service levels, an increase in cost for labor and the loss of computer access for all segments of the City's infrastructure including Public Safety's access to E-mail and the Internet.

ALTERNATIVES CONSIDERED:

Our decision as to the choice of vendors is limited in this case by the existing contract with Hewlett Packard for support on all of our Servers and E-Mail. Allowing an outside party to work on these systems would void both existing warranties and service agreements. Working with multiple vendors would increase the cost significantly as we would be paying for double the man-hours to complete the project. We have therefore taken the approach of negotiating the best price available from Hewlett Packard.

We could of course do nothing; however, we strongly recommend against this strategy for several reasons. The loss of our computer resources would create a significant hardship on the City. If a successful attack were to be mounted against our systems while we are in an unsupported situation, the legal and financial liability would be significant. The City has spent considerable time and money to build a sophisticated computer network capable of supporting the City's needs between all City locations. Acting at this time avoids impact to this critical resource prior to the loss of vendor support.

FISCAL REVIEW:

Funding for this project is available as provided for in the 2004/2005 budget for the M.I.S. Division.

LEGAL REVIEW:

The City Attorney's Office has reviewed the agreement and approved it as to form.

CONCLUSION:

Approving the contract from Hewlett Packard will provide the resources necessary to successfully complete the migration. Doing so at this time reduces exposure to the potential loss of the City's computer resources. Using Hewlett Packard as the vendor keeps our warranties and service contracts intact.

RICHARD D. KIRKBRIDE
M.I.S. Manager

HOWARD PERKINS
Administrative Services Director

MARC R. PUCKETT
Director of Finance

TOM C. WOOD
Acting City Attorney

Attachments: I [Vendor Statement of Work](#)
 II [Vendor Insurance Document](#)
 III [Council Resolution](#)