

**Council Meeting: September 24, 2013****SUBJECT: Award of Contract for Cisco Equipment to Upgrade the City Network Infrastructure (F14-02)****BACKGROUND**

Approval is requested to award a contract to New Tech Solutions of Fremont in the amount of \$384,808 for Cisco equipment, related network components and ongoing maintenance to upgrade the City network infrastructure, for the Information Technology Department (ITD).

CEQA REVIEW

N/A

DISCUSSION

The City's current network was designed in the late 1990s and although still functional, it has inherent flaws with respect to throughput, scalability, security features and redundancy to guard against failures. Service speed to remote City buildings is very limited in many cases, which reduces the effectiveness of technology in an increasingly technology dependent work environment. In order to effectively address these issues, ITD has developed and is implementing a network infrastructure plan, which will:

- Provide faster network services to remote sites, including installation of fiber-optic cable;
- Improve network redundancy for business continuity;
- Improve separation of Department of Public Safety (DPS) activity from the rest of the City as required by federal and state mandates; and
- Facilitate the future conversion to Voice Over IP (VOIP) telephony.

In support of these overall goals, this contract will replace core network switches which control the flow of data to and from each workstation and server in the City. The core network switches manage and control the speed and data sent and received to all remote sites and campus buildings. ITD will initially replace core switches located in the City Hall datacenter and the DPS building. Local switches serving specific departments/divisions for each building will be replaced once the core switches have been successfully implemented and new fiber optics run between campus buildings.

Bid specifications were prepared by the Department of Information Technology. Purchasing staff issued Invitation for Bids (IFB) No. F14-02, which was broadcast to potential suppliers through the City's Onvia DemandStar public procurement network.

Sealed bids were received and publicly opened on August 14, 2013. Five bids were received as follows:

<u>Bidder</u>	<u>Base Bid</u>
Xtelesis, Burlingame, CA	\$305,701
New Tech Solutions, Fremont, CA	\$384,808
Nexus IS Inc., Pleasanton, CA	\$385,395
Net Xperts, San Ramon, CA	\$396,321
Enpointe Technology, Gardena, CA	\$409,374

In evaluating the bids received, it was discovered that the apparent low bidder offered lower cost equipment not authorized or supported by Cisco, rendering their bid non-responsive. Additionally, both the low bidder and the high bidder did not provide pricing for maintenance/support costs for years two and three, as required by the bid documents. These exclusions rendered the low and high bids non-responsive as well. The second low bidder, New Tech Solutions, meets the bids specifications in all material respects. Staff therefore recommends award of the contract to New Tech as the lowest responsive and responsible bidder.

FISCAL IMPACT

The total cost of the contract is \$384,808. This includes the purchase of hardware, sales tax and one-year warranty in the amount of \$384,808. After the first year warranty, annual contracts for maintenance and support will be issued under the City Manager's contract award authority. New Tech's bid pricing for maintenance and support for years two and three is \$18,000 and \$18,500, respectively. Budgeted funds for the current purchase and ongoing maintenance are available in the Information Technology Department Equipment Replacement Account.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

RECOMMENDATION

It is recommended that Council award a contract in the amount of \$384,808 to New Tech Solutions, in substantially the same form as the attached draft purchase order, to furnish Cisco switches, related network components, and first year warranty coverage, as required by the Information Technology Department.

Reviewed by:

Grace K. Leung, Director of Finance
Prepared by: Pete Gonda, Purchasing Officer

Reviewed by:

David Jensen
Director, Information Technology

Approved by:

Gary M. Luebbers
City Manager

Attachments

- A. Draft Purchase Order
- B. Bid Summary



ORDERED FROM 17730 - 001 New Tech Solutions Inc 4179 Business Center Dr Fremont CA 94538 (510) 353-4070	ORDER DATE 08/29/2013	BILL TO: City of Sunnyvale Finance Department Accounts Payable PO Box 3707 Sunnyvale, CA 94088-3707
	DELIVERY DATE 10/24/2013	
	PAYMENT TERMS N/30	
	BID NO/RFQ NO	
DELIVER TO ITD/Information Technology Services 650 W Olive Ave Sunnyvale CA 94086 Phone: (408) 730-7557	FOB POINT DEST	FREIGHT CHARGES Destination, freight included in price
	REQ. NO RQ011499	REQUISITIONER: KHARTZMAN
	CHARGE/OBJ CODE(S): See Description	

ITEM	DESCRIPTION	QTY	UNIT	UNIT COST	TOTAL
1	Provide Cisco switches, related network components and warranty coverage per Invitation For Bids F14-02 specifications, terms, conditions and bidders response, which are incorporated herein by this reference. All equipment delivered shall be verified for compliance with Cisco System New Gear SmarNet Support prior to acceptance and payment.	353846.00	DLR	\$1.0000	\$353,846.00
2	Sales Tax A separate purchase order may be issued to New Tech Solutions for ongoing maintenance and support, after the one year warranty period. Bid pricing submitted for the second and third year is \$18,000 and \$18,500 respectively. Contract awarded by City Council 9/24/2013, RTC_____	30961.52	DLR	\$1.0000	\$30,961.52
TOTAL					\$384,807.52



CHARGE/OBJ CODE(S)

021600 5050

\$353,846.00

021600 5050

\$30,961.52

BUYER:

Howard, Dreama

PHONE (408) 730-7396

FAX (408) 730-7710

**Attachment B
Bid Summary**

Invitation for Bids No. F14-02 -Cisco Switches & Network Components

Bidder	Xtelesis	New Tech Solutions	Nexus IS, Inc	NetXperts Inc	En Pointe Technologies
Address	800 Airport Blvd, Suite 417 Burlingame, CA 94010	4179 Business Center Dr. Fremont, CA 94538	27202 Turnberry Lane Ste100 Valencia CA 91355	2680 Bishop Drive #125 San Ramon, CA 94583	18701 S. Figueroa Street Gardena, CA 90248-4506
Contact	Scott Strochak	Anita Vasantryqi	Thomas Lyon	Carol Nordine	Wasi Ahmed Yousaf
BASE BID TOTAL	\$305,701.00	\$384,807.52	\$385,394.61	\$396,320.86	\$404,374.22
Shipping	\$1,840.00	Included	Included	Included	Included
Total Base Bid	\$307,541.00	\$384,807.52	\$385,394.61	\$396,320.86	\$404,374.22
Year-Two Maintenance	Did Not Submit	\$18,000.00	\$22,451.60	\$40,800.00	Did Not Submit
Year- Three Maintenance	Did Not Submit	\$18,500.00	\$22,451.60	\$61,200.00	Did Not Submit
Total Maintenance		\$36,500.00	\$44,903.20	\$102,000.00	
TOTAL BID Pricing	Non-Responsive	\$421,307.52	\$430,297.81	\$498,320.86	Non Responsive