



TO: Board of Contracts and Awards
FROM: Jack Kelanic, Information Technology Department *JK*
Kipling Morris, Manager, Information Technology Department
COPY: City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and
Chuck Blankenship, Finance/Purchasing
SUBJECT: VMware and vCenter Support
Request For Bids Specification No. IT16-0025F
Requesting City Council Date of March 15, 2016
DATE: - March 1, 2016

SUMMARY:

The Information Technology Department recommends authorization to enter into a three-year agreement with VMware’s designated reseller, **BMAK Inc. dba Compuwave, Ventura, CA**, for VMware support and maintenance services in the amount, \$249,804.91, plus applicable sales tax. This agreement will provide continued access to security updates, new version upgrades, and professional technical support.

STRATEGIC POLICY PRIORITY:

- Strengthen and maintain a strong fiscal management.

Approving this contract supports the City’s strategic policy by savings approximately \$30,000.00 over the next three-years and by providing a known cost for budget planning into the next biennium.

BACKGROUND: The City’s current private cloud infrastructure is dependent upon virtualization technology to deliver efficient and reliable IT services to the citizens, General Government and Tacoma Public Utilities. To properly administer and manage this technology requires a current support and maintenance agreement that provides access to ongoing security updates, new version upgrades, and professional technical support.

ISSUE: The City’s current support and maintenance agreement recently expired. The City’s need for VMware products and services is increasing due to growing business needs and compliance objectives. Additionally, VMware has consistently increased support costs, each year

ALTERNATIVES: The alternative is to renew VMware support and maintenance on an annual basis, which would result in the loss of the multi-year discount of approximately \$30,000.00. Additionally, the annual contract option provides no protection from inflation due to year over year cost increases.

Discontinuing VMware support and maintenance would result in the inability to upgrade to newer software and provide application protection via security updates and vendor assistance for complex troubleshooting. This is not a viable solution considering the City’s existing investment and the business necessity for this technology.

COMPETITIVE SOLICITATION: Request For Bids Specification No. IT16-0025F was opened February 2, 2016. Nine companies were invited to bid in addition to normal advertising of the project. Seven submittals were received.



<u>Respondent</u>	<u>Location (city and state)</u>	<u>Submittal Amount</u>
BMAK Inc. dba Compuwave	Ventura, CA	\$249,804.91
Zones, Inc.	Auburn, WA	\$250,067.73
vCloud Tech Inc.	Rolling Hills Estates, CA	\$250,779.13
Computer Intelligence Association	Potomac, MD	\$254,301.25
En Pointe Technologies Sales LLC	El Segundo, CA	\$254,597.30
NWN Corporation	Greenville, SC	\$260,269.10
ReBootTwice, LLC	Laguna Hills, CA	\$288,862.32

Pre-bid Estimate: \$277,000.00 (without tax)
 The recommended award is 9.8% below the pre-bid estimate.

CONTRACT HISTORY: This is a new contract.

SUSTANIABILITY: The following is from VMware’s corporate sustainability statement, “Being “Green” at VMware means more than just reducing the need for servers and lowering IT operational costs through virtualization. It’s who we are as a company. We understand that it’s not always easy being Green, but we are taking big steps every day to do our part to protect our planet and conserve earth’s energy.”

RECOMMENDATION: The Information Technology Department recommends authorization to enter into a three-year agreement with VMware’s designated reseller, **BMAK Inc. dba Compuwave, Ventura, CA**, for VMware support and maintenance services in the amount, \$249,804.91, plus applicable sales tax.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Information Services Fund 5800	596000	5412170	\$249,804.91
TOTAL			\$249,804.91

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Information Services Fund 5800		5950289	\$249,804.91
TOTAL			\$249,804.91



POTENTIAL POSITION IMPACT: N/A

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
TOTAL			

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: There is no fiscal impact to the current biennial budget. Current biennial need of \$83,580.56, plus applicable sales tax, is available and appropriated within Fund 5800. The revenues are planned and budgeted within the above cost centers and elements.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes. The remaining balance of \$189,955.82 is contingent on the inclusion and approval in future biennial appropriations.