



City of Rochester Hills  
AGENDA SUMMARY  
FINANCIAL ITEMS

1000 Rochester Hills Dr.  
Rochester Hills, MI 48309  
248.656.4630  
[www.rochesterhills.org](http://www.rochesterhills.org)

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Legislative File No: 2011-0370

**TO:** Mayor and City Council Members  
**FROM:** Bob Grace, MIS Department, 248-841-2475  
**DATE:** August 26, 2011  
**SUBJECT:** Network Upgrade Purchase

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**REQUEST:**

City Council is recommended to approve the purchase of equipment, software and professional services for a network upgrade project from Integrators of New Systems LLC, Novi, MI and through the State of Michigan purchasing contract managed by HP/EDS in the amount of \$316,880 which includes a 10% contingency (INS \$191,657, HP/EDS \$96,416, Contingency \$28,807). This project will involve server virtualization, network storage, related software and necessary professional services to complete the transition.

**REASON FOR PURCHASE:**

The City's existing server and network storage infrastructure is aging and in need of replacement. It was originally designed in late 2005 with an intended lifespan of four to five years. We are now approaching six years in service for the existing system. The servers are out of warranty, impacted by additional application systems added over the last few years and replacement parts are scarce. The server and storage systems are in need of a technological redesign.

This project was the result of an extensive research and design process. The proposed redesign will take advantage of server and storage virtualization technologies to reduce the amount of physical server hardware needed and reduce electrical consumption in the data center.

Server virtualization basically allows one to run multiple virtual instances of a Windows or other operating system on a single physical server allowing for greater density and utilization of the hardware. Each virtual instance of a server will operate essentially the same as it would if it were a physical server. Virtualization will reduce the existing 17 physical server boxes down to four physical server blades running 17 virtual servers and one physical server blade housing a web server using just 15% of the previous system's rack space. This alone should significantly reduce the electrical consumption by the servers in the data center.

An RFP was issued for the project and Integrators of New Systems LLC of Novi, MI was selected as the proposer offering the best value and lowest price to the City for the server virtualization, network storage and professional services. The related Microsoft server operating system and database software will be purchased from HP/EDS, utilizing the MiDeal Program through the State of Michigan.

**PROCESS:**

<b>Vendor Name and Address:</b> <u>Servers, storage, virtualization software and professional services</u> Integrator of New Systems, LLC 41039 S. McMahon Novi, MI 48375 \$191,657	<u>Microsoft Software</u> HP/EDS State of Michigan Contract \$96,416	<u>Project Contingency</u> 10% \$28,807
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**Reason for Selection:**

Quality Based Selection from RFP based on Price, Product, Company and Level of Service provided. Best Value.

**Method of Purchase:**

Contract/Purchase Order

**BUDGET:**

This project is budgeted within the 2011 MIS budget and has been planned and scheduled through the Capital Improvement Plan as IS-10B, Computer Network Upgrade Schedule. Assuming the project contingency is not needed, the project will be completed at 12% under budget. If it is necessary to use the project contingency, the project will be completed at 4% under budget.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
MIS	636.980.000	IS-10B Computer Network Upgrade Schedule	\$330,000	\$316,880	\$13,120

**RECOMMENDATION:**

To upgrade our network servers and storage system up to current standards, it is recommended that City Council authorize the network upgrade project, including the purchase of server hardware, network storage, software, professional services, etc., in the amount of \$316,880, which includes a 10% contingency, utilizing the products and services of Integrators of New Systems LLC, HP/EDS State of Michigan Contract and other vendors as may arise within the contingency.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
City Council Liaison		