



City of Rochester Hills  
AGENDA SUMMARY  
FINANCIAL ITEMS

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

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Legislative File No: 2019-0144

**TO:** Mayor and City Council Members  
**FROM:** Kevin Krajewski, Director Management Information Systems  
**DATE:** April 8, 2019  
**SUBJECT:** Purchase Authorization for Backup and Recovery Equipment

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**REQUEST:**

City Council is requested to authorize the purchase of Backup and Recovery Equipment utilizing the State of Michigan MiDeal Extended Purchase Program in the amount of \$87,500.00 to CDW-G, 120 S. Riverside Plaza, Chicago, IL 60606

**REASON FOR PURCHASE:**

The City utilizes the Michigan MiDeal Purchase Program as one of its resources to purchase its IT related products in services. Purchasing IT equipment through this program provides the City with costs at a significantly lower cost than retail. In evaluating the purchase of this item, the City evaluated multiple cooperative contracts pricing and determined the MiDeal Purchase Program was the lowest cost available and recommends award of the backup and recovering equipment to CDW-G.

Data backup and recovery is one of the most important services provided by the MIS department. The importance of protecting the various types of user data and application databases cannot be underestimated. Being prepared for a recovery in the event of a system failure or more serious event is of vital importance.

Our previous contract for cloud backup services has reached the end of its three year term and we have chosen not to renew it for several reasons including increasing service cost. An analysis of our current and future needs was performed, then an evaluation of available methods to perform these important services was completed. A system from Barracuda Networks was selected as a replacement for these services at a significant savings over our current contract. The system includes a cloud storage component for secure offsite storage of backup data.

A one time cost of \$87,500.00 will provide the city with three years of protection with no increase in cost due to storage increase. A support renewal after three years in 2022 for approximately \$80,000 will continue the services for an additional three years including a free replacement of the backup hardware in year four.

We performed a cost analysis over six years comparing our current backup cost of approximately \$60,000 per year (with likely increases of 5% per year due to increasing data storage) to this new system. The City will realize a savings of approximately \$237,000 or about \$39,500 per year.

Existing System cost over six years (increasing approx. 5% per year)  
 $\$60k + 63K + 66k + 69k + 72k + 75k = \$405k$

New System cost over six years (with service renewal after 3 years)

\$87,500 + \$80k = \$167,500 (average cost per year \$27,917)  
 Savings \$405k - \$168k = \$237.5K

**PROCESS:**

**Vendor Name and Address:**

CDW-G  
 120 S. Riverside Plaza  
 Chicago, IL 60606

**Reason for Selection:**

Cooperative Contract

**Method of Purchase:**

Purchase Order

**BUDGET:**

Funding is included in the FY 2019 Adopted Budget.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
MIS	636.980000	Office Equipment & Furniture	\$60,000		
MIS	636.807000	Contractual Services	\$27,500		
		<b>Total</b>	<b>\$87,500</b>	<b>\$87,500</b>	<b>\$0</b>

If approved by City Council, a 2<sup>nd</sup> quarter 2019 budget amendment shall be presented re-allocating \$27,500 from Contractual Services account (636.807000) to Office Equipment & Furniture account (636.980000).

**RECOMMENDATION:**

It is recommended that City Council authorize the purchase of Backup and Recovery Equipment utilizing the State of Michigan MiDeal Extended Purchase Program in the amount of \$87,500.00 to CDW-G, 120 S. Riverside Plaza, Chicago, IL 60606.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Chief Financial Officer		
Purchasing Process: Supervisor of Procurement		
Mayor		
Deputy Clerk		