



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org

Legislative File No: 2020-0290

TO: Mayor and City Council Members
FROM: Kevin Krajewski, Director Management Information Systems
DATE: August 10, 2020
SUBJECT: Renewal of Google Apps Hosted Email Services

REQUEST:

It is requested that City Council authorize a blanket purchase order for a one year renewal of hosted Google Apps email services and BetterCloud management application to Onix Networking Corporation, Lakewood, OH in the amount not-to-exceed \$50,000.00 through August 30, 2021.

REASON FOR PURCHASE:

The City moved to a hosted Google Apps email platform in September of 2010. The service has been working well and the City makes use of many of the additional services included in the Google Apps package. This purchase is a yearly renewal.

The City is unable to obtain better pricing than what Onix Networking Corporation is currently offering the City. Purchasing reached out to several Google App Partners to try and obtain pricing and was informed that based on our SIMBA approval on our account that no other vendor is able to provide us lower pricing than what we currently receive through Onix Networking Corporation. SIMBA is a discount that is provided by Google and is only valid if the City's current partner uses it. We can receive additional quotes but they would be higher and most partners contacted will not provide pricing because they cannot be competitive. The Purchasing Division has had several discussions with Google to see if there are ways in the future to still obtain the discounted pricing and seek competition but Google at this time is not able to provide an option to accomplish this. Based on the City's needs to continue with this service and renew the licenses it is recommended that award be made to Onix Networking Corporation as the lowest cost available to the City. The Purchasing Division continues to monitor this service to ensure compliance with ensuring we are following best practices and continuing to receive the best value for this service, however it is unlikely that Google will make any changes to this practice in the near future as this is a common method that many of the larger technology firms utilize in their reseller market and pricing strategy. HP and Dell have a setup that is very similar to this as well.

PROCESS:

Vendor Name and Address:
Onix Networking Corporation
18519 Detroit Avenue
Lakewood, OH 44107

Reason for Selection:

Best Value

Method of Purchase:

Blanket Purchase Order

BUDGET:

Funding is included in the FY 2020 Adopted Budget

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
MIS	636.807000	Contractual Services	\$60,000	\$50,000	\$10,000

RECOMMENDATION:

It is recommended that City Council authorize a blanket purchase order for a one year renewal of hosted Google Apps email services and BetterCloud management application to Onix Networking Corporation, Lakewood, OH in the amount not-to-exceed \$50,000.00 through August 30, 2021.

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

Contract Reviewed by City Attorney Yes N/A