



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
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Legislative File No: 2019-0243

TO: Mayor and City Council Members
FROM: Kevin Krajewski, Director Management Information Systems
DATE: June 3, 2019
SUBJECT: HPE SimpliVity Upgrade

REQUEST:

City Council is requested to approve a project budget for the purchase of equipment, software and professional services for a network upgrade project to IT Solutions Group LLC, Novi, MI, in the amount of \$320,092 which includes an 8% project contingency (project contingency amount of \$23,710 will be used for the purchase of unanticipated miscellaneous items and/or services related to the installation or integration with our ERP software system). This project will involve servers, network storage, switching, related software and necessary professional services to complete the installation.

REASON FOR PURCHASE:

At the time of the installation of our existing server/storage system in 2018, a decision had not yet been made as to the upgrade of our JDE ERP financial system. As such, capacity for that system was not included in the server/storage upgrade to avoid unnecessary costs. Since then a decision has been made to upgrade our existing ERP system necessitating an expansion of processing and storage capacity to accommodate the upgrade. Our server/storage system has a modular design allowing for this capacity to be easily added. This project is necessary and part of the overall JDE upgrade project planned for through the CIP process and budgeted within the 2019 capital budget.

Additional components of the JDE upgrade project such as software purchase and professional services to facilitate the upgrade will be coming forward as future requests. This phase of the project must be complete prior to other phases moving forward.

The City's Purchasing Division issued a sealed Invitation to Bid for the equipment, software and professional services for the HPE SimpliVity upgrade utilizing the MITN system and received three sealed bids. One of the bid was deemed non-responsive since the bidder did not provide pricing for all the necessary equipment required for the project. From the remaining two bids, the low, responsive, responsible bid was submitted by IT Solutions Group, LLC of Novi, Michigan for a total cost of \$296,382.00.

The award of bid is recommended to IT Solutions Group, LLC as the low responsive responsible bidder.

PROCESS:

Vendor Name and Address:

IT Solutions Group LLC
24875 Novi Road, Suite 236
Novi, MI 48376

Reason for Selection:

Lowest, Responsive, Responsible Bidder

Method of Purchase:

Blanket Purchase Order/Contract

BUDGET:

Funding for this component of the project is included in the FY 2019 Adopted Budget within the IS-12A: Financial Software System Replacement Schedule.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
MIS Fund	636.980000	Office Equipment	\$400,000	\$320,092	\$79,908

RECOMMENDATION:

It is recommended that the Rochester Hills City Council authorize the blanket purchase order/contract for the network upgrade project, including the purchase of equipment, related software and necessary professional services to IT Solutions Group, Novi Michigan, in the amount of \$296,382 with a 8% project contingency in the amount of \$23,710 for a total not-to-exceed project amount of \$320,092.

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