



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
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Legislative File No: 2025-0454

TO: Mayor and City Council Members

FROM: Rochelle Lyon, Director Management Information Systems

DATE: October 20, 2025

SUBJECT: Network Server Storage Upgrade

REQUEST:

City Council is requested to authorize the purchase of hardware, software and support for an HPE Network Server Storage Solution in the amount of \$349,314.00 with a 10% project contingency in the amount of \$34,961.40 for a total not-to-exceed project cost of \$384,275.40 to IT Solutions Group, Novi, Michigan.

REASON FOR PURCHASE:

The City is seeking to upgrade its network server storage system, an essential component of the City's IT infrastructure currently running on an HPE Simplivity platform that is nearing the end of its useful life and with MIS starting to see some increased failures in those components. The City has been diligently researching, discussing, and planning for this equipment replacement.

The decision to proceed with this purchase utilizing a cooperative contract was made after an extensive market review and research was conducted. During initial budget planning, the City was advised by their Network Services provider (IT Solutions Group) to anticipate significantly inflated costs (double, possibly triple) due to unknown impacts of tariffs, as they had been receiving pricing for other customers that were showing increased costs due to manufacturers trying to protect their pricing due to the many unknown variables. Following a thorough procurement review, and carefully discussing the situation with MIS on the best approach for this scheduled replacement, the decision was made to request pricing through the OMNIA Partners cooperative purchasing contract. This contract offers pre-negotiated pricing and established terms, satisfying the City's competitive requirements and providing a favorable pricing model. In researching the cooperative contract, it was discovered that IT Solutions Group (our current network services provider) is an authorized distributor for one of the agreements, which benefits the City in that when we make this purchase, as part of our current Network Services Contract, IT Solutions Group will oversee and assist with the installation and the work is covered under their current agreement with no additional costs to cover installation with the equipment purchase request.

Additionally, support for recommending this approach, was the City was recently notified of substantial, time-sensitive, year-end discounting offered by HPE if a purchase order is issued prior to the end of October. By leveraging the existing OMNIA Partners cooperative contract, through which IT Solutions Group (ITSG) is an authorized distributor, the City can take advantage of known significant savings. This strategy allows the City to secure the necessary hardware and support, avoid the risk of increased costs associated with HPE's new fiscal year pricing structure, and ensure the timely replacement of critical infrastructure.

The use of this cooperative contract, along with the discount opportunity, is seen as a fiscally responsible and efficient process for the City to utilize for the purchase of the equipment needed for this upgrade. The

City is requesting City Council’s approval to proceed with this purchase utilizing the OMNIA Partners Cooperative agreement and recommending award to IT Solutions Group, as an authorized distributor.

PROCESS:

Vendor Name and Address:
IT Solutions Group, LLC.
39555 Orchard Hill Pl, Suite 600
Novi, MI 48375

Reason for Selection:
Cooperative Contract/OMNIA Partners

Method of Purchase:
Purchase Order

BUDGET:
Funding is included in the FY 2025 Adopted Budget

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
MIS	636.980000	IS-10B: Computer Network Upgrade Schedule	\$449,000.00	\$384,275.40	\$64,724.60

RECOMMENDATION:
It is recommended that City Council authorize the purchase of hardware, software and support for an HPE Network Server Storage Solution in the amount of \$349,314.00 with a 10% project contingency in the amount of \$34,961.40 for a total not-to-exceed project cost of \$384,275.40 to IT Solutions Group, Novi, Michigan.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Chief Financial Officer		
Purchasing Process: Procurement Manager		
Mayor		
City Clerk		

Contract Reviewed by City Attorney ☐ Yes ☒ N/A