

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

# CITY OF OAKLAND

## AGENDA REPORT

2010 SEP -2 PM 1:52

TO: Office of the City Administrator  
ATTN: Daniel Lindheim  
FROM: Department of Information Technology  
DATE: September 14, 2010

RE: **Resolution Authorizing The City Administrator Or Designee To:**

- 1. Negotiate and Award A Design-Build Agreement At The Conclusion Of A Competitive Solicitation For Server Virtualization Technology Improvements To The Data Center Servers For An Amount Not To Exceed Four Hundred Thousand Dollars (\$400,000.00), To Be Paid With Federal Government Stimulus Package Funds Without Returning to Council; And**
- 2. Accept And Appropriate Energy-Related Rebates In Project Number C388910 (Civic Center Data Center Server Virtualization)**

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### SUMMARY

A resolution has been prepared authorizing the City Administrator or Designee to enter into a contract authorizing a design-build agreement for Server Virtualization Technology Improvements using grant funds from the Federal Government's Stimulus Package (American Recovery and Reinvestment Act (ARRA), Energy Efficiency and Conservation Block Grant (EECBG) Formula Program). Rapid implementation of projects to spend these funds is a primary expectation of the ARRA grant.

The attached resolution:

1. Authorizes the City Administrator, or designee, to enter into a contract for an amount not to exceed four hundred thousand dollars, that will utilize virtualization technology to consolidate servers and provide energy efficiencies that will meet the goals of the Energy Efficiency and Conservation Block Grant.
2. Accepts and appropriates any energy-related rebates from PG&E for Project C388910 (Data Center Virtualization) for energy efficiency improvements.

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## FISCAL IMPACT

Funding for this project comes from an ARRA grant awarded to the City of Oakland in June 2009 from the Department of Energy-EECBG Program (ARRA) Fund (2609), Environmental Services Energy Group Organization (30689), project C388910. City Council Resolution 82092 C.M.S. dated June 16, 2010 authorized acceptance of the award and appropriation of ARRA funds for this project.

## BACKGROUND

In September, 2009, the Department of Energy awarded the ARRA grant for energy efficiency projects to the City. The award provided funds for projects that would increase energy efficiencies and reduce energy use and fossil fuel emissions in communities.

The City identified Server Virtualization as one that would meet the requirements of the EECBG grant by reducing energy demands and failure rates in the existing data centers, while providing for increased disaster recovery capabilities and business continuity. The Department of Information Technology released a Request for Proposal in June 2010. Responses were received in August 2010. Vendor selection will be complete by September 1<sup>st</sup>. Contract negotiations are scheduled to be completed by September 14, 2010. A copy of the Department of Contracting and Purchasing program compliance review is provided in *Attachment A*.

The scope of work allows for a turn key solution of up to \$400,000 in professional services and hardware that would consolidate seventy six identified servers into six, allowing for increased energy cost savings, management efficiencies and future scalability. As a result, the City is eligible for energy efficiency rebates for this project from PG&E.

The proposed solution meets the requirements of the City's Local/Small Local Business Enterprise (L/SLBE) Program for professional services by providing 35% of its professional services from certified Small Local Businesses.

## KEY ISSUES AND IMPACTS

The City Data Center contains over 150 servers which take up significant energy and HVAC resources and space. As applications are implemented by City Staff, additional servers are needed, increasing energy and cooling costs. New technology, called Virtualization allows the Department of Information Technology to consolidate physical hardware, and create "virtual" servers, which will reduce the need for additional heating and cooling as well as provide for better disaster recovery and business continuity.

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servers, which will reduce the need for additional heating and cooling as well as provide for better disaster recovery and business continuity.

## **PROJECT DESCRIPTION**

The maximum amount for the proposed agreement is \$400,000.

Server Virtualization involves the consolidation of physical servers into a “virtual” environment where multiple servers can exist on one physical device. In June 2009, the City of Oakland was able to identify 76 servers that qualified for Virtualization. The proposed Scope of Work involves a turn-key solution that will provide all the necessary professional services, licensing and hardware involved in implementing such a large scale virtual solution.

As a result of the energy efficiencies and reduced energy costs that virtualization would provide, the City of Oakland is eligible for rebates from PG&E. These rebates would be appropriated back into project C389910 and utilized by adding additional servers to the established virtualization solution. The ultimate objective is to provide measurable energy costs savings and energy efficiencies as a result of the server consolidation.

The estimated \$57,000 of annual energy cost savings for the proposed Civic Center Complex HVAC work and Virtualization project will help to offset rising utility and maintenance expenses in the City Facilities Fund (4400).

## **SUSTAINABLE OPPORTUNITIES**

Economic: This project will use stimulus funds from the ARRA to provide jobs in the community while increasing energy efficiency of the building and decreasing energy costs for the City operations.

Environmental: This project will provide energy efficiency costs savings due to reduced energy and HVAC usage while reducing greenhouse gas and other toxic emissions.

Equity: This project will include significant participation from certified Small Local Business Enterprises and certified Local Business Enterprises.

## **DISABILITY AND SENIOR CITIZEN ACCESS**

This project does not have direct access impacts on disabled or senior citizens.

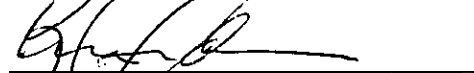
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**ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends that the City Council approve the resolution that:

- 1) Allows the City Administrator and/or designee to award a Professional Services and Hardware agreement with the winning contractor in an amount not to exceed \$400,000 for the Server Virtualization project;
- 2) Accept And Appropriate Energy-Related Rebates In Project Numbers C388910 (Data Center Server Virtualization) from Pacific Gas & Electric (PG&E).

Respectfully submitted,



Ken Gordon  
Interim Director  
Department of Information Technology

Prepared by:  
Damaris Sambajon, Information Systems Manager  
Department of Information Technology

Attachment A: Department of Contracting and Purchasing

APPROVED AND FORWARDED TO THE  
FINANCE AND MANAGEMENT COMMITTEE:

  
Office of the City Administrator

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Finance and Management Committee  
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# Memo



**Department of Contracting and Purchasing**  
Social Equity Division

To: Damaris Sambajon, Information Systems Manager  
 From: Vivian Inman, Contract Compliance Officer  
 Through: Shelley Darenburg, Sr. Contract Compliance Officer *S. Darenburg*  
 Cc: Deborah Barnes, Director, DCP  
 Gwen McCormick, Contract Administration Supervisor  
 Date: August 25, 2010  
 Re: Request for Proposal – Server Virtualization American Recovery and Reinvestment Act (ARRA) – Stimulus Funds Non Disadvantaged Business Enterprise (DBE) Project

The Department of Contracting and Purchasing (DC&P), Division of Social Equity, reviewed four (4) proposals in response to the above referenced project. This is an American Recovery and Reinvestment Act (ARRA) – Stimulus Funds project. Below is the outcome of the compliance evaluation for the minimum 35% Local and Small Local Business Enterprise (L/SLBE) participation requirement, and a preliminary review for compliance with the Equal Benefits Ordinance (EBO).

Below are the results of our findings:

Responsive to L/SLBE and/or EBO Policies		Proposed Participation				Earned Credits and Discounts			Banked Credits Eligibility	EBO Compliant? Y/N
Company Name	Original Bid Amount	Total LBE/SLBE	LBE	SLBE	Trucking	Total Credited Participation	Earned Bid Discounts	Adjusted Bid Amount		
Dell Marketing, LP	NA	79%	0%	79%	NA	79%	5 points	NA	2 points	Y
Kelco Computing Solutions	NA	100%	0%	100%	NA	100%	5 points	NA	2 points	Y
Lilien, LLC	NA	35%	0%	35%	NA	35%	3 points	NA	0 points	N
MoonKnight Networks, Inc.	NA	79%	0%	79%	NA	79%	5 points	NA	2 points	N

**Comments:** As noted above, all firms met or exceeded the minimum 35% L/SLBE participation requirements. Dell Marketing, LP and Kelco Computing Services are EBO certified. Firms that are not EBO compliant will have to come into EBO compliance prior to full contract execution.

Non-Responsive to L/SLBE and/or EBO Policies		Proposed Participation				Earned Credits and Discounts			Banked Credits Eligibility	EBO Compliant? Y/N
Company Name	Original Bid Amount	Total LBE/SLBE	LBE	SLBE	Trucking	Total Credited Participation	Earned Bid Discounts	Adjusted Bid Amount		
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

**Comments:** There were no non-responsive firms.

Should you have any questions you may contact Vivian Inman at (510) 238-3970.



DEPARTMENT OF CONTRACTING AND PURCHASING

Social Equity Division

PROJECT COMPLIANCE EVALUATION FOR :

Project No.

RE: Request for Proposal - Server Virtualization--American Recovery and Reinvestment Act (ARRA)-Stimulus Project

CONSULTANT/CONTRACTOR: Dell Marketing, LP

<u>Engineer's Estimate:</u>	<u>Contractors' Bid Amount</u>	<u>Over/Under Engineer's Estimate</u>
NA	NA	NA

<u>Bid discounted amount:</u>	<u>Discount/Preference Points:</u>
N/A	5 points

- 1. Did the 20% local/small local requirement apply: **YES**
- 2. Did the contractor meet the 20% requirement **YES**
  - a) % of LBE participation **0%**
  - b) % of SLBE participation **85%**
- 3. Did the contractor receive bid discount/preference points? **YES**  
(If yes, list the points received) **5 points**

5. Additional Comments.

[Empty rectangular box for additional comments]

6. Date evaluation completed and returned to Contract Admin./Initiating Dept.

8/25/2010

Date

Reviewing Officer: Shelley Gorenberg

Date: 8/25/10

Approved By: Shelley Gorenberg

Date: 8/25/10

## LBE/SLBE Participation Dell Marketing, LP

Project Name: Request for Proposal - Server Virtualization--American Recovery and Reinvestment Act ARRA- Stimulus Project

Project No.:		Engineer's Estimate				Under/Over Engineers Estimate:				
Discipline	Prime & Subs	Location	Cert. Status	LBE	SLBE	Total LBE/SLBE %	Total Percentages	For Tracking Only		
								Ethn	MBE	WBE
PRIME Subconsultant Subconsultant	Dell Marketing, LP	Texas	UB				13%	C		
	Xantrion	Oakland	CB		79%	79%	85%	H	79%	
	Enterasys Network, Inc.	Santa Clara	UB				2%	NL		
<b>Project Totals</b>				0%	79%	79%	100%		79%	0%
<b>Requirements:</b> The 20% requirements is a combination of 10% LBE and 10% SLBE participation. An SLBE firm can be counted 100% towards achieving 20% requirements.				LBE: 10%	SLBE: 10%	TRUCKING: 20%		<b>Ethnicity</b> AA = African American A = Asian C = Caucasian H = Hispanic NA = Native American O = Other NL = Not Listed		
<b>Legend</b>		LBE = Local Business Enterprise SLBE = Small Local Business Enterprise Total LBE/SLBE = All Certified Local and Small Local Businesses NPLBE = NonProfit Local Business Enterprise NPSLBE = NonProfit Small Local Business Enterprise				UB = Uncertified Business CB = Certified Business MBE = Minority Business Enterprise WBE = Women Business Enterprise				



DEPARTMENT OF CONTRACTING AND PURCHASING

Social Equity Division

PROJECT COMPLIANCE EVALUATION FOR :

Project No.

RE:

Request for Proposal - Server Virtualization--American Recovery and Reinvestment Act (ARRA)-Stimulus Project

CONSULTANT/CONTRACTOR: Kelco Computing Services

<u>Engineer's Estimate:</u>	<u>Contractors' Bid Amount</u>	<u>Over/Under Engineer's Estimate</u>
NA	NA	NA
<u>Bid discounted amount:</u>	<u>Discount/Preference Points:</u>	
N/A	5 points	

- 1. Did the 20% local/small local requirement apply: **YES**
- 2. Did the contractor meet the 20% requirement **YES**
  - a) % of LBE participation **0%**
  - b) % of SLBE participation **100%**
- 3. Did the contractor receive bid discount/preference points? **YES**  
(If yes, list the points received) **5 points**

5. Additional Comments.

[Empty rectangular box for additional comments]

6. Date evaluation completed and returned to Contract Admin./Initiating Dept.

8/25/2010

Date

Reviewing Officer:

Vivian Jmm

Date: 8/25/10

Approved By:

Shelley Danenberg

Date: 8/25/10



## LBE/SLBE Participation Kelco Computing Solutions

**Project Name:** Request for Proposal - Server Virtualization--American Recovery and Reinvestment Act ARRA- Stimulus Project

Project No.:		Engineer's Estimate				Under/Over Engineers Estimate:				
Discipline	Prime & Subs	Location	Cert. Status	LBE	SLBE	Total LBE/SLBE %	Total Percentages	For Tracking Only		
								Ethn	MBE	WBE
PRIME	Kelco Computing Solutions	Oakland	CB		100%	100%	100%	C		
<b>Project Totals</b>				0%		100%	100%		0%	0%
<b>Requirements:</b> The 20% requirements is a combination of 10% LBE and 10% SLBE participation. An SLBE firm can be counted 100% towards achieving 20% requirements.				LBE-10%	SLBE-10%	TRUCKING-20%		<b>Ethnicity</b> AA = African American A = Asian C = Caucasian H = Hispanic NA = Native American O = Other NL = Not Listed		
<b>Legend</b>		LBE = Local Business Enterprise SLBE = Small Local Business Enterprise Total LBE/SLBE = All Certified Local and Small Local Businesses NPLBE = NonProfit Local Business Enterprise NPSLBE = NonProfit Small Local Business Enterprise		UB = Uncertified Business CB = Certified Business MBE = Minority Business Enterprise WBE = Women Business Enterprise						



DEPARTMENT OF CONTRACTING AND PURCHASING

Social Equity Division

PROJECT COMPLIANCE EVALUATION FOR :

Project No.

RE: Request for Proposal - Server Virtualization--American Recovery and Reinvestment Act (ARRA)-Stimulus Project

CONSULTANT/CONTRACTOR: Lilien, LLC

<u>Engineer's Estimate:</u>	<u>Contractors' Bid Amount</u>	<u>Over/Under Engineer's Estimate</u>
NA	NA	NA
<u>Bld discounted amount:</u>	<u>Discount/Preference Points:</u>	
N/A	3 points	

- 1. Did the 20% local/small local requirement apply: YES
- 2. Did the contractor meet the 20% requirement YES
  - a) % of LBE participation 0%
  - b) % of SLBE participation 35%
- 3. Did the contractor receive bid discount/preference points? YES
 

(If yes, list the points received) 3 points

5. Additional Comments.

[Empty rectangular box for additional comments]

6. Date evaluation completed and returned to Contract Admin./Initiating Dept.

8/25/2010

Date

Reviewing Officer:

Vivian Jones

Date: 8/25/10

Approved By:

Shelley Danenabing

Date: 8/25/10

## LBE/SLBE Participation Lilien, LLC

Project Name: Request for Proposal - Server Virtualization--American Recovery and Reinvestment Act ARRA- Stimulus Project

Project No.:		Engineer's Estimate				Under/Over Engineers Estimate:				
Discipline	Prime & Subs	Location	Cert. Status	LBE	SLBE	Total LBE/SLBE %	Total Percentages	For Tracking Only		
								Ethn	MBE	WBE
PRIME Hardware Network Upgrades	Lilien, LLC	Larkspur	UB				52%	C		
	CBX Technologies	Oakland	CB		35%	35%	35%	AA	35%	
	Entersays	Santa Clara	UB				13%	C		
<b>Project Totals</b>				0%	35%	35%	100%		35%	0%
<b>Requirements:</b> The 20% requirements is a combination of 10% LBE and 10% SLBE participation. An SLBE firm can be counted 100% towards achieving 20% requirements.				LBE:10%	SLBE:10%	TRUCKING:20%		<b>Ethnicity</b> AA = African American A = Asian C = Caucasian H = Hispanic NA = Native American O = Other NL = Not Listed		
<b>Legend</b>		LBE = Local Business Enterprise SLBE = Small Local Business Enterprise Total LBE/SLBE = All Certified Local and Small Local Businesses NPLBE = NonProfit Local Business Enterprise NPSLBE = NonProfit Small Local Business Enterprise				UB = Uncertified Business CB = Certified Business MBE = Minority Business Enterprise WBE = Women Business Enterprise				



DEPARTMENT OF CONTRACTING AND PURCHASING

Social Equity Division

PROJECT COMPLIANCE EVALUATION FOR :

Project No.

RE: Request for Proposal - Server Virtualization--American Recovery and Reinvestment Act (ARRA)-Stimulus Project

CONSULTANT/CONTRACTOR: MoonKnight Networks, Inc.

<u>Engineer's Estimate:</u>	<u>Contractors' Bid Amount</u>	<u>Over/Under Engineer's Estimate</u>
NA	NA	NA
<u>Bid discounted amount:</u>	<u>Discount/Preference Points:</u>	
N/A	5 points	

- 1. Did the 20% local/small local requirement apply: **YES**
- 2. Did the contractor meet the 20% requirement **YES**
  - a) % of LBE participation **0%**
  - b) % of SLBE participation **74%**
- 3. Did the contractor receive bid discount/preference points? **Yes**  
(if yes, list the points received) **5 points**

5. Additional Comments.

[Empty rectangular box for additional comments]

6. Date evaluation completed and returned to Contract Admin./Initiating Dept.

8/25/2010

Date

Reviewing Officer:

Victoria Jan

Date: 8/25/10

Approved By:

Shelley Darsenling

Date: 8/25/10

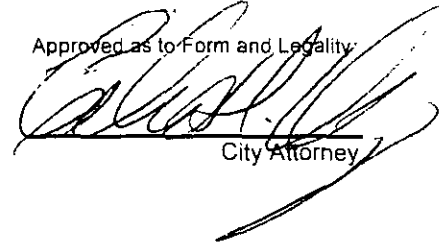
## LBE/SLBE Participation MoonKnight Networks, Inc.

Project Name: Request for Proposal - Server Virtualization--American Recovery and Reinvestment Act ARRA- Stimulus Project

Project No.:		Engineer's Estimate				Under/Over Engineers Estimate:				
Discipline	Prime & Subs	Location	Cert. Status	LBE	SLBE	Total LBE/SLBE %	Total Percentages	For Tracking Only		
								Ethn	MBE	WBE
PRIME Virtualization Engineer Network/Enteras ys' Eng.	MoonKnight Networks	Oakland	CB		74%	74%	74%	C		
	1C21, Inc.	Sacramento	UB				24%	C		
	CDW	Chandler	UB				2%	C		
<b>Project Totals</b>				0%	74%	74%	100%		0%	0%
<b>Requirements:</b> The 20% requirements is a combination of 10% LBE and 10% SLBE participation. An SLBE firm can be counted 100% towards achieving 20% requirements.				LBE 10%	SLBE 10%	TRUCKING 20%		<b>Ethnicity</b> AA = African American A = Asian C = Caucasian H = Hispanic NA = Native American O = Other NL = Not Listed		
<b>Legend</b>		LBE = Local Business Enterprise SLBE = Small Local Business Enterprise Total LBE/SLBE = All Certified Local and Small Local Businesses NPLBE = NonProfit Local Business Enterprise NPSLBE = NonProfit Small Local Business Enterprise				UB = Uncertified Business CB = Certified Business MBE = Minority Business Enterprise WBE = Women Business Enterprise				

**OAKLAND CITY COUNCIL**

Approved as to Form and Legality:



City Attorney

2010 SEP -2 PM 3:41

**RESOLUTION No. \_\_\_\_\_ C.M.S.**

**RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR OR DESIGNEE TO:**

- 1. NEGOTIATE AND AWARD A DESIGN-BUILD AGREEMENT AT THE CONCLUSION OF A COMPETITIVE SOLICITATION FOR SERVER VIRTUALIZATION TECHNOLOGY IMPROVEMENTS TO THE DATA CENTER SERVERS FOR AN AMOUNT NOT TO EXCEED FOUR HUNDRED THOUSAND DOLLARS (\$400,000.00), TO BE PAID WITH FEDERAL GOVERNMENT STIMULUS PACKAGE FUNDS WITHOUT RETURNING TO COUNCIL; AND**
- 2. ACCEPT AND APPROPRIATE ENERGY-RELATED REBATES IN PROJECT NUMBER C388910 (CIVIC CENTER DATA CENTER SERVER VIRTUALIZATION), FOR ENERGY EFFICIENCY IMPROVEMENTS AS A RESULT OF THE DATA CENTER VIRTUALIZATION PROJECT**

**WHEREAS**, the City Council authorized application for American Recovery and Reinvestment Act of 2009 (ARRA) funds for this project in Resolution No. 82092 C.M.S, and the Department of Energy awarded the City a grant for energy efficiency improvements to its municipal assets, including municipal buildings, under the ARRA, Energy Efficiency and Conservation Block Grant (EECBG) Formula Program; and

**WHEREAS**, the shared goals of the City and the ARRA include creating jobs quickly, improving energy efficiency and reducing greenhouse gas emissions; and

**WHEREAS**, the City has appropriated funds totaling \$695,000 to implement this project with \$624,595 in Department of Energy-EECBG Program (ARRA) Fund (2609), Environmental Services Energy Group Organization (30689), distributed among the Civic Center Electronic HVAC Control Upgrades BAS Project (C389010) and the Civic Center Data Center Server Virtualization Project (C388910), and \$55,405 in City Facilities Energy Conservation Projects Fund (4450), Environmental Services Energy Group Organization (30689), California Exchange Commission (CEC) Loan – HVAC Conservation Project (H33620); and

**WHEREAS**, the energy efficiency improvements from the Server Center Virtualization Project will result in reduced energy consumption and greenhouse gas emissions; and

**WHEREAS**, the City lacks the equipment and qualified personnel to perform the necessary work; and

**WHEREAS**, the City Administrator has determined that the services under this agreement are of a technical and temporary nature, and that the performance of this agreement shall not result in

the loss of employment or salary by any person having permanent status in the competitive service; and

**WHEREAS**, the City issued and advertised a Request For Proposals for Data Center Server Virtualization Project, to which four vendors have responded in a manner that best complies with the City's technology, infrastructure and program requirements; and

**WHEREAS**, it is in the City's best interests at the completion of a competitive bid process to select the contractor and proceed with a contract immediately, because: the ARRA provides shortened timeframes for the commencement of projects in order to meet the funding goal of creating jobs; now therefore, be it

**RESOLVED:** That the City Administrator, or designee, is authorized to negotiate and enter into a Contract agreement in an amount not to exceed four hundred thousand dollars (\$400,000) for Server Virtualization Project improvements to the Civic Center Data Center; and be it

**FURTHER RESOLVED:** That the City Administrator or designee is authorized to apply for, accept, and appropriate energy related rebates or incentive payments from programs offered by the State, PG&E or other rebate programs and place funds into the Department of Energy-EECBG Program (ARRA) Fund (2609), Environmental Services Energy Group Organization (30689), Projects C389010 and C388910; and be it

**FURTHER RESOLVED:** That the City Administrator or designee is authorized to transfer allocations between projects in Fund 2609 as necessary to achieve the optimal use and full expenditure of ARRA grant funds; and be it

**FURTHER RESOLVED:** That the City Administrator or designee is authorized to extend, amend (except to increase compensation), and take whatever action is necessary with respect to this agreement consistent with this resolution and its basic purpose; and be it

**FURTHER RESOLVED:** That all contracts authorized hereunder shall be reviewed and approved for form and legality by the Office of the City Attorney and a final copy shall be placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 20\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_

LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California