Approved as to Form and Legality

City Attorney

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REVISED – Per Finance & Management Committee on 05-10-16

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2016 MAY 13 AM 11:24

OAKLAND CITY COUNCIL

RESOLUTION NO._____C.M.S.

RESOLUTION:

AUTHORIZING THE CITY ADMINISTRATOR OR DESIGNEE TO:

1) **ENTER INTO LEASE AGREEMENT, PURCHASE AGREEMENTS AND PROFESSIONAL SERVICES AGREEMENTS FOR PHASE ONE OF THE DATA CENTER MODERNIZATION PROJECT ("PROJECT") FOR A TOTAL ESTIMATED FIVE YEAR COST OF THREE MILLION FIFTY THOUSAND DOLLARS ($3,050,000) OF WHICH THE:**

   A. **LEASE AGREEMENT TO HOUSE THE DATA CENTER WITH DIGITAL REALTY TRUST IS ESTIMATED TO BE ONE MILLION TWO HUNDRED THOUSAND DOLLARS ($1,200,000) OVER FIVE YEARS ($50,000 UPFRONT AND $230,000 PER ANNUM),**

   B. **SUPPORT, MAINTENANCE, LICENSINGIS ESTIMATED TO BE ONE MILLION ONE HUNDRED THOUSAND DOLLARS ($1,100,000) OVER FIVE YEARS ($220,000 PER ANNUM), AND**

   C. **PURCHASE AGREEMENTS FOR SOFTWARE, HARDWARE AND/OR LICENSING, AND PROFESSIONAL SERVICE AGREEMENTS ARE ESTIMATED TO BE A ONE-TIME UPFRONT COST OF SEVEN HUNDRED FIFTY THOUSAND DOLLARS ($750,000), ALL THE ABOVE, WITHOUT RETURN TO COUNCIL; AND**

2) **WAIVE THE ADVERTISING, BIDDING AND REQUEST FOR PROPOSAL/QUALIFICATIONS ("RFP/Q") COMPETITIVE SELECTION REQUIREMENTS FOR ALL OF THE ABOVE AGREEMENTS**

WHEREAS, the City's information technology infrastructure is the underlying foundation that ties multiple departments and agencies together that allows the City to provide essential services to the community; and

WHEREAS, the City's current data centers, which houses the technology infrastructure, are aging and are subject to multiple vulnerabilities and failures that threaten City operations; and

WHEREAS, a fiscal year 2010 audit found the City had an inadequate IT back-up recovery; and

WHEREAS, a well maintained and supported data network is vital to ensuring the City's mission critical technology platforms to the highest degree of availability and without interruption; and

WHEREAS, a Data Center Operations Modernization Project ("Project") is necessary to start addressing the inherent deficiencies to the City's data platform; and

WHEREAS, for Phase One of the Project, the City will need to enter into purchase agreements for purchase of hardware/software, licensing and for professional services that allow physical migration of the City's Oracle and Point of Sale servers to an offsite facility, and support Phase One as detailed in the Agenda Report that accompanies this Resolution; and

WHEREAS, for Phase One of the Project, the City Administrator will need to enter into a lease agreement to house the Data Center with Digital Realty Trust for a term of five (5) years at an estimated rate of $230,000 per year (rental rate plus power usage charges) plus one time upfront cost of $50,000 for a total estimated amount of $1,200,000; and

WHEREAS, through the annual and biennial budget process, additional monies will need to be budgeted for the ongoing support, maintenance, licensing and lease services for Phase One of the Project in the amount of $450,000 per year ($230,000 per year for Digital Realty Trust plus $220,000 for other ongoing costs); and

WHEREAS, for Phase One of the Project, the City Administrator will need to enter into purchase agreements with software, hardware, and license providers as well as and professional services agreements for an estimated upfront amount of $800,000 ($50,000 per year for Digital Realty Trust plus $750,000 for other upfront costs); and

WHEREAS, the five year grand total for Phase One of the Project will be in the amount of $3,050,000 as set forth in Exhibit A to this Resolution; and

WHEREAS, OMC Section 2.04.050 requires advertising and competitive bidding for contracts when the City purchases services, supplies, equipment, and computer software or a combination thereof that exceeds $50,000.00 and the award to the lowest responsible, responsive bidder if award is made; and

WHEREAS, OMC Section 2.04.050 I.5 provides an exception to the advertising and competitive bidding requirement of the OMC upon a finding and determination by the City Council that it is in the best interests of the City to do so; and

WHEREAS, OMC section 2.04.051 requires a competitive RFP/Q competitive selection process for award of contracts that exceed $25,000 for professional service contracts and which are

exempt from bidding under Section 2.04.050.1.1; and

WHEREAS, OMC sections 2.04.050.I. and 2.04.051.B permit the City Council to waive advertising, bidding and the RFP/Q competitive selection requirements upon finding that it is in the City's best interest to do so; and

WHEREAS, staff requests that the Council waive the advertising, competitive bidding, and RFP/Q competitive selection requirements and authorize the City Administrator to purchase necessary hardware and/or software, licensing and maintenance services, lease services and specialized professional services from identified contractors in the Agenda Report accompanying this Resolution in order to implement Phase One of the Project; and

WHEREAS, in the Agenda Report accompanying this Resolution, staff has set forth the facts supporting waiver of the advertising, competitive bidding, and RFP/Q competitive process for Phase One of the Project; and

WHEREAS, the Council finds that the services that will be needed as part of this software agreement are of a professional, scientific or technical and temporary nature and shall not result in the loss of employment or salary by any person having permanent status in the competitive service; now therefore, be it

RESOLVED, that the City Council finds and determines the forgoing recitals to be true and correct and hereby adopts and incorporates them into this Resolution; and be it

FURTHER RESOLVED, that pursuant to the Oakland Municipal Code Sections 2.04.050 I.5 and 2.04.051.B for the reasons stated in the Agenda Report accompanying this Resolution, the City Council hereby finds and determines that it is in the best interests of the City to waive the competitive bidding, advertising and the RFP/Q process requirements for the purchase of the hardware and/or software, licensing and maintenance services, lease services, and for the professional services agreements for Phase One; and be it

FURTHER RESOLVED, that based on the recommendations of the City Administrator, the City Council approves and hereby authorizes the City Administrator or designee to enter into contracts to purchase necessary hardware and/or software, licensing and maintenance services, lease services and specialized professional services from identified contractors in the Agenda Report accompanying this Resolution in the amount of $3,050,000 over the next five (5) years in order to implement Phase One of the Data Center Modernization Project and to complete all required negotiations, certifications, assurances and documentation required to accept, modify, extend and/or amend the contracts, with the exception of any increase in compensation, necessary to execute Phase One of the Project, all without return to Council; and be it

~~**FURTHER RESOLVED,** that, consistent with standard procedure, should the City and selected firms not be able to reach an agreement as to contract terms within a reasonable timeframe, Council authorizes the City Administrator or designee to negotiate and enter into contracts while waiving the competitive bidding requirements with other qualified firms, without return to Council; and be it~~

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FURTHER RESOLVED, that the City Administrator is authorized to enter into a lease agreement with Digital Realty Trust for a term of five (5) years at an estimated rate of $230,000 per year (rental rate plus power usage charges) plus estimated upfront costs of $50,000 to house the Data Center; and be it

FURTHER RESOLVED, that the City Administrator is authorized to enter into purchase agreements for software, hardware and licenses and professional service agreements for an estimated upfront amount of $800,000 (includes $50,000 upfront costs for Digital Realty Trust) through funds available and budgeted under Resolution No. 81129 C.M.S.; and be it

FURTHER RESOLVED, that the Department will budget sufficient funds through the annual and biennial budget process for ongoing support, maintenance, licensing and lease services for Phase One of the Project as part of its internal service fund recovery; and be it

FURTHER RESOLVED, that the Office of the City Attorney will approve the contracts as to form and legality and copies will be on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____ , 2016

PASSED BY THE FOLLOWING VOTE:

AYES – BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, AND PRESIDENT GIBSON MCELHANEY

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____

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

EXHIBIT A - CONTRACTORS TO BE USED IN PHASE ONE OF THE DATA CENTER OPERATIONS MODERNIZATION PROJECT

Contractors with Up-front Setup Charges

Contractor	Role		Amount
DRT	Data Center Build Out	$	50,000
BIAS	Network Design & Build, Migration Execution, Transportation of Servers to DRT Facility		298,000
Various Brands	Network Hardware & Software		230,000
Horizon	Phase I Project Management		150,000
BART	Fiber Connections Setup		10,000
To Be Determined	Internet Service Provider		2,000
Project Contingency			60,000
TOTAL One-Time Set-Up Costs		**$**	**800,000**

Contractors with Recurring Annual Charges

Contractor	Role		Annual Amount
DRT	Rent for Offsite Facility and Power Usage Charges	$	230,000
To Be Determined	Internet Service Provider		40,000
Amazon Web Service	Oracle Cloud Disaster Recovery		43,000
Various Brands	Network Hardware & Software Licensing		40,000
BART	Fiber Connection Maintenance		12,000
To Be Determined	Professional Service for Data Center Infrastructure Support		50,000
Project Contingency			35,000
TOTAL Annual Cost		**$**	**450,000**

Summary of Phase One Costs Over Five (5) Years

Cost Type	Detail		Estimated Amount
One-Time Upfront Cost	Lease, Maintenance, Hardware/Software, Professional Services	$	800,000
Recurring Cost	5-Years ($450,000 annual cost times 5 years)		2,250,000
GRAND TOTAL (5 Years)		**$**	**3,050,000**