MARKHAM

Report to: General Committee   Report Date: May 26, 2014

SUBJECT: 082-R-14 Supply and Delivery of Server Hardware and
                     VMware Software
PREPARED BY: Sugun Rao, Technology Manager
                     Rosemarie Patano, Senior Buyer Purchasing

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RECOMMENDATION:
THAT the report entitled "082-R-14 Supply and Delivery of Server Hardware and VMware Software" be received;

THAT the contract for "Supply and Delivery of Server Hardware and VMware Software" be awarded to the highest ranked, lowest priced bidder, Compugen Inc., in the total amount of $478,111 inclusive of HST for a term of six years to expire on December 31, 2020;

THAT the total award of $478,111 inclusive of HST be funded from the Primary Data Centre Server Replacement Project (Account #049- 5350-14409-005);

THAT the recommended bidder, Compugen Inc. be designated as preferred vendor for City's Server Hardware and VMware Software product for the term of this contract;

THAT Staff be authorized to amend the purchase order amounts in years 2014 – 2020 to accommodate business needs for the purchase of the identified Server Hardware and VMware software products through Capital and Operating Budgets as approved by Council during the annual budget process;

AND THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:
The purpose of this report is to obtain committee approval to award the contract for "082-R-14 Supply and Delivery of Server Hardware and VMware Software" to the highest ranked, lowest priced bidder, Compugen Inc., for a term of six (6) years to expire on December 31, 2020.

BACKGROUND:
The City's current Server Hardware is due for replacement as it is over 7 years old and the system is technologically becoming obsolete, inadequate to recover completely in the event of catastrophic failure or disaster, and can no longer sustain the normal growth of the City's business. Industry best practices recommend Server Hardware be replaced after 6 years.

These Servers host critical business applications such as Email/Calendaring, Blackberry Services, Financials, Tax, Building/Planning, water / sewer system, Geographic Information Systems, Streaming Server for Live Audio Webcast, AntiVirus/AntiSpam, File servers (Q Drive), Printer services and many others. The Server Hardware is vital to all City departments allowing them to service both internal and external customers.

Replacing the Server Hardware allows the corporation to remain current with its technology and reduces the inherent risks associated with the aging technology infrastructure. In addition, the City will continue to implement a virtualized server environment using VMware Software. Consolidation and Virtualization helps to reduce the number of physical servers required to run business applications, as well as assist in reducing cost, space and consumption (power and cooling) while increasing the availability of critical business application by providing failover capabilities.

The City's current computing environment includes 36 physical servers and 5 Virtual Host running over 125 Virtual Machines. Based on the strategy, the architecture of the new computing infrastructure will include a total of 16 physical servers (6 physical servers and 10 Virtual Host) at the primary site and 6 physical servers (as all virtual host).

As part of the emergency preparedness strategy the City is also working on having a secondary data centre that is to be used for replication of the business systems and data currently at the main data centre. The secondary data centre will facilitate continuous operation of the City's essential business function in case of any major disaster at the primary site. City staff are working on partnership opportunities with other municipalities in order to have this in place in 2015 without additional data centre costs. The Hardware and Software for the primary site will be acquired in 2014 and that for secondary site in 2015.

BID INFORMATION

Advertised, place and date	ETN
Bids closed on	April 10, 2014
Number of bidders picking up bid documents	8
Number of bidders responding to bid	3

PROPOSAL EVALUATION

The evaluation team was comprised of three staff from the ITS department with Purchasing Staff acting as the facilitator. The evaluation was based on pre-established evaluation criteria as detailed in the Request for Proposal: 15 points for Relevant Experience and Expertise of Firm and Team; 5 points for References; 15 points for Project Understanding; Methodology, Delivery and Management; 35 points for Technical Requirements; and, 30 points for Price, totaling 100 points with resulting scores as follows:

Scoring

Vendor	Score (Out of 100)	Rank
Compugen Inc.	**72.60**	1
Scalar Decisions Inc.	66.09	2
Sentia Solutions Inc.	63.19	3

Prices ranged from $478,111 to $595,465 inclusive of HST, based on the awarded quantities for the term of six years.

Compugen Inc. ("Compugen") is the successful bidder for the supply and delivery of server hardware and VMware software. The Compugen proposal demonstrated a

thorough understanding of the Project and its requirements, including a strong understanding of the required project tasks and deliverables, as well as, key issues and challenges. In addition, the Compugen proposal demonstrated, based on the team's depth of experience and expertise on projects of similar scope and scale, the ability to successfully undertake the Project while meeting key milestones and timelines.

FINANCIAL CONSIDERATIONS:

The contract for "Supply and Delivery of Server Hardware and VMware Software", in the total amount of $478,111 inclusive of HST will be funded from the Primary Data Centre Server Replacement Project (account #049- 5350-14409-005) which has an available budget of $722,505. The remaining funds of $244,394 ($722,505 - $478,111) will be used for the Purchase of other Data Centre Infrastructure Hardware such as a Disk System, Backup Technology and Network Switch as budgeted for in this project.

ENVIRONMENTAL CONSIDERATIONS:
Not Applicable

BUSINESS UNITS CONSULTED AND AFFECTED:
Not Applicable

RECOMMENDED BY:

22/05/2014   22/05/2014

X   X

Nasir Kenea   Trinela Cane
Chief Information Officer   Commissioner, Corporate Services

ATTACHMENTS:
Not Applicable