



Legislation Details (With Text)

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Title: Information Technologies Department recommending the Board:
1) Approve the addition of a countywide Storage Area Network to the department's Fiscal Year 2016/17 fixed asset list;
2) Waive formal bid requirements in accordance Purchasing Ordinance 3.12.160, exemptions from competitive process, Sections D and E in order to secure for the County an advantageous price for the purchase of a Nimble Storage Area Network, including three years of hardware and software support;
2) Authorize the Purchasing Agent to issue a purchase order to Big Green IT as the registered partner for Nimble storage solutions under the competitively bid NASPO ValuePoint Cooperative Purchasing Program Agreement (Master Agreement No. MNWNC-122) and California Participating Addendum 7-15-70-34-012, in an amount not to exceed \$193,000 for the purchase; and
3) Approve and authorize the Chair to sign a budget transfer to appropriate funding in the Information Technologies fixed asset budget utilizing savings of \$118,000 from within the department's Fiscal Year 2016/17 Adopted Budget and transferring \$75,000 from General Fund Contingency for the purchase. (4/5 vote required)

FUNDING: General Fund with cost recovery in future year(s) through the A-87 Cost Plan.

Sponsors:

Indexes:

Code sections:

Attachments: 1. A - Blue Route 4-18-17, 2. B - Cooperative Purchasing Agreement 4-18-17, 3. C - Nimble Budget Transfer 4-18-17, 4. Executed Budget Transfer

Date	Ver.	Action By	Action	Result
4/18/2017	1	Board of Supervisors	Approved	Pass

Information Technologies Department recommending the Board:
1) Approve the addition of a countywide Storage Area Network to the department's Fiscal Year 2016/17 fixed asset list;
2) Waive formal bid requirements in accordance Purchasing Ordinance 3.12.160, exemptions from competitive process, Sections D and E in order to secure for the County an advantageous price for the purchase of a Nimble Storage Area Network, including three years of hardware and software support;
2) Authorize the Purchasing Agent to issue a purchase order to Big Green IT as the registered partner for Nimble storage solutions under the competitively bid NASPO ValuePoint Cooperative Purchasing Program Agreement (Master Agreement No. MNWNC-122) and California Participating Addendum 7-15-70-34-012, in an amount not to exceed \$193,000 for the purchase; and
3) Approve and authorize the Chair to sign a budget transfer to appropriate funding in the Information Technologies fixed asset budget utilizing savings of \$118,000 from within the department's Fiscal Year 2016/17 Adopted Budget and transferring \$75,000 from General Fund Contingency for the purchase. (4/5 vote required)

FUNDING: General Fund with cost recovery in future year(s) through the A-87 Cost Plan.

DEPARTMENT RECOMMENDATION

Information Technologies Department recommending the Board:

- 1) Approve the addition of a countywide Storage Area Network (SAN) to the department's FY 2016-17 fixed asset list;
- 2) Waive formal bid requirements in accordance Purchasing Ordinance 3.12.160, exemptions from competitive process, Sections D and E in order to secure for the County an advantageous price for the purchase of a Nimble Storage Area Network (SAN), including three years of hardware and software support;
- 2) Authorize the Purchasing Agent to issue a purchase order to Big Green IT as the registered partner for Nimble storage solutions under the competitively bid NASPO ValuePoint Cooperative Purchasing Program Agreement (Master Agreement No. MNWNC-122) and California Participating Addendum No. 7-15-70-34-012, in an amount not to exceed \$193,000 for the purchase; and
- 3) Approve and authorize the Chair to sign a budget transfer to appropriate funding in the Information Technologies fixed asset budget utilizing savings of \$118,000 from within the department's FY 2016-17 Adopted Budget and transferring \$75,000 from General Fund Contingency for the purchase. (4/5 vote required)

DISCUSSION / BACKGROUND

The Information Technologies Department (IT) has maintained a status quo budget over the past two fiscal years while advising the Chief Administrative Office and the Board of Supervisors as to the long term impacts on IT infrastructure.

The County stores data and applications on multiple storage array networks, or SANs. The County's current SAN environment has reached the end of its life expectancy with the oldest equipment being over 7 years old. As a result the system has been experiencing repetitive drive failures which have a direct negative impact on IT services provided to County departments. The VDI outage occurring on March 30 was related in part to communication issues between our Storage Area Network (SAN) and server environment, causing the inability of users to access applications and data. Additionally, the current equipment does not conform to industry standards for encryption, manageability and restore points. The failures are due in part to the fact that we are consuming almost all of our current storage capacity. The associated tape backup drive is also failing and out of warranty. The inability to recover archived data from the tape backup system puts the County at risk of down-time and loss of data. The limitations of the current SAN have also delayed the upgrade of other IT infrastructure, and as a result staff must juggle competing applications and databases to ensure all systems keep running.

The IT Strategic Plan for data storage includes the elimination of the current legacy SAN technology by replacing it with more modern and reliable technology. This replacement is planned for FY 2017-18; however, IT has identified the opportunity to purchase a new Nimble Storage Area Network at significantly discounted prices. Purchase of this new system now will reduce IT infrastructure needs in FY 2017-18.

IT staff has researched options for replacing the current SAN system and determined that the Nimble CS5000 will provide the County with enough storage capacity to handle growth for at least 3-5 years. The capacity of the CS5000 is between 200-220TB. This is nearly twice the capacity of the current SAN. The Nimble CS5000 will also allow the collapse from four (4) SAN storage environments to one (1), reducing annual maintenance costs and making administration and maintenance much easier and more efficient.

Two key considerations in structuring a storage area network are Recovery Time Objective (RTO) and Recovery Point Objective (RPO). RTO is related to the amount of the time a system can be down without significant impact to operations. RPO is related to the allowable data loss during an outage. The Nimble CS5000 will support the County's server and VDI environments, which are currently running on separate SAN appliances. Running both environments on the CS5000 will be more efficient, will provide significantly better Recovery Point Objective (RPO) and Recovery Time Objective (RTO) results, and the County will get more value from the single SAN than from separate SANs.

Purchasing Ordinance Section 3.12.160 (D) allows for the exemption from competitive bidding when utilizing a contract that uses a competitive bidding process substantially the same as the County's process. Big Green IT is the registered partner for Nimble storage solutions under the competitively bid NASPO ValuePoint Cooperative Purchasing Program Agreement (Master Agreement No. MNWNC-122) and California Participating Addendum No. 7-15-70-34-012.

Purchasing Ordinance Section 3.12.160 (E) allows for the exemption from competitive bidding when special circumstances exist such that the purchase must be made within a limited period of time in order to secure for the County an advantageous price for the item that would not be achievable through competitive bidding. The discounted pricing offered by Big Green IT expires on April 25, 2017. List pricing for the recommended equipment and support is \$472,930 plus applicable taxes and shipping. Big Green IT is offering a 60% pricing discount on the Nimble CS5000 Storage Array, a 5% discount on a 3-year Software Support plan, and an additional purchase incentive discount of \$29,000 for combined reduced cost of \$178,688 - a savings of \$294,242 off the list price. The total recommended purchase price including taxes and shipping is \$190,223. In accordance with Purchasing Ordinance Section 3.12.160, a comparative market analysis was conducted to ensure the competitiveness of the pricing. Staff obtained quotes from four (4) vendors, including Big Green IT, and determined that the lowest pricing offered was from Big Green IT, with the second lowest price being more than \$100,000 higher.

In addition to the savings obtained on the initial purchase of the Nimble storage array, future annual support costs are reduced by approximately 61% from current costs. Support costs go from \$69,526 to \$27,240 for a savings of \$42,286 per year.

The next phase of the IT Strategic Plan for data storage will be the acquisition of a second, lighter-weight Nimble device to be housed in South Lake Tahoe, for business continuity (BC) and disaster recovery (DR). This is planned for FY 2019-20.

ALTERNATIVES

The Board could choose not to approve the purchase at this time; however, this would likely result in an increase in costs and continued operational impacts to departments should the current SAN continue to experience failures.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

Chief Administrative Office, Procurement & Contracts, County Counsel.

CAO RECOMMENDATION

It is recommended that the Board approve this item.

FINANCIAL IMPACT

Total estimated cost of the purchase is \$193,000. The majority of funding (\$118,000) is available from savings in the FY 2016-17 IT Department budget (primarily salary savings and equipment maintenance savings). A budget transfer of \$75,000 from General Fund Contingency is requested for the balance of the purchase costs.

CLERK OF THE BOARD FOLLOW UP ACTIONS

None

STRATEGIC PLAN COMPONENT

Infrastructure

CONTACT

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