

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council

Item ID:

65602

Agenda Number

49.

Meeting Date:

December 15, 2016

Department:

Purchasing

Subject

Authorize negotiation and execution of a 60-month contract through the STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES cooperative purchasing program with MARK III SYSTEMS, to provide International Business Machines and Lenovo products and services, including maintenance and support, in an amount not to exceed \$11,500,000.

Amount and Source of Funding

Funding in the amount of \$1,725,000 is available in the Fiscal Year 2016-2017 Operating Budget of Austin Energy. Funding for the remaining 51 months of the contract period is contingent upon available funding in future budgets.

Fiscal Note

A fiscal note is not required.

Purchasing Language:

Multiple cooperative purchase programs were reviewed for these goods and services. The Purchasing Office has determined this Contractor best meets the needs of the department to provide the goods and services required at the best value for the City. The recommended Contractor is one of the current providers for these services.

Prior Council Action:



For More Information:

Gage Loots, Corporate Purchasing Manager, 512-322-6251

Boards and Commission Action:

December 12, 2016 – To be reviewed by the Electric Utility Commission.

Related Items:

MBE / WBE:

This contract will be awarded by a cooperative purchase agreement with the Texas Department of Information Resources (DIR) in accordance with Chapter 2054 of the Texas Government Code; therefore, goals were not established.

Additional Backup Information

The contract is for the purchase of International Business Machines (IBM) and Lenovo brand products and services including maintenance and support for Austin Energy. The contract will facilitate the upgrade, renewal, and consolidation of IBM and Lenovo hardware products and services, including servers, power servers, storage, storage area network controllers, switches, blade servers, and embedded firmware. This contract will also allow for the purchase of new IBM and Lenovo hardware, firmware, and related services on an as-needed basis.

Mark III Systems is an authorized reseller and service provider for IBM and Lenovo hardware. Mark III Systems will provide Austin Energy with comprehensive services and management of IBM and Lenovo systems support including access to specialized experts as well as self-help support through Mark III Systems' customer portal, resources, and tools.

IBM and Lenovo brand hardware technology currently run Austin Energy's critical infrastructure between servers and storage arrays. Between Austin Energy's combined network operations and infrastructure, the system handles over 1400 terabytes of data for critical services such as Austin Energy's asset and inventory management system (Maximo), meter data management system for customer meter reads, and application integration technologies used with dozens of Austin Energy systems.

The contract is new and represents a consolidation of purchases of these products and services into a single contract. The requested authorization amounts are based on forecasted needs for the 60-month term of the contract. Austin Energy's historical spend for these products and services has averaged approximately \$2,000,000 per year.