

Department of Administration
Purchasing Division
Finance & Personnel Committee Approval Required
for Single Source Contract
Contract #E13244

Background:

User Department:	ITMD
Purchasing Agent:	Nathan Churchill
Contract Description:	VSC for Dell & HP Server Maintenance
Vendor Name and Location:	SEI, Inc. (Grand Rapids, MI)
Contract Term:	03/01/2014 through 02/28/2015 with three (3) one (1) year options to extend
Requisition # and Date Rec'd:	16116 & 05/29/2018
Original Contract Amount:	\$ 20,568.00
Expenditures to Date:	\$ 111,195.50
Current Contract Amount:	\$ 114,432.00

Purpose of Contract/Amendment:

The purpose of this amendment is to extend the contract for six (6) months from 06/01/2018 through 11/30/2018 to allow time for a new contract to be executed, and to increase the estimated contract total by \$15,696.00 from \$114,432.00 to \$130,128.00.

Background:

SEI, Inc. supports the City's Dell and HP Server equipment that is no longer supported by the manufacturer. This current vendor is called upon, often weekly, to repair or replace crucial components in the City's production server environment. Some of the servers under these contracts provide file storage, backup storage, and manage the Microsoft Active Directory (AD) domain and email system. Any lapse in coverage could be potentially catastrophic to the City should an event occur.

Prior to 2014, ITMD requested purchase orders or processed standard vouchers on an annual basis to secure server maintenance provided by SEI, Inc. In 2014, a Vendor Service Contract E13244 for Dell and HP Server Maintenance was executed to better aid in tracking expenditures for both ITMD and Purchasing.

Maintenance costs are as follows:

Dell & HP Servers: 34 units

Cost to Maintain: \$2,616.00/month; \$15,696/six (6) months

Due to the age of select equipment, the City's Dell and HP servers require regular maintenance that is provided by SEI, Inc. Multiple mainboards, hard drives, and other parts have been replaced and will need to be replaced over the life of the contract as many failures have occurred.

For this reason, ITMD is requesting that the contract be extended for six (6) months from 06/01/2018 through 11/30/2018 to allow time for a new contract to be executed, and that the estimated contract total be increased by \$15,696.00 from \$114,432.00 to \$130,128.00.

The estimated contract total is \$130,128.00 and the department concurs with this recommendation.

City Purchasing Director

Date

History of Contract Amendments:

Date	Item	Term	Cost
5/30/2014	Original Contract E13244 - Dell & HP Server Maintenance for a period of one (1) year from 03/01/2014 to 02/28/2015 with the option to extend for three (3) additional one (1) year terms upon mutual agreement, and an estimated contract total of \$20,568.00 F&P Committee review not required	3/1/2014 to 2/28/2015	\$20,568.00
2/25/2015	Change Order #1: Extended the contract for one year from 3/1/2015 – 2/29/2016, exercising the first (1 st) of three (3) allowable options and increased the estimated contract total by \$26,196.00 from \$20,568.00 to \$46,764.00 F&P Committee review not required	3/1/2015 To 2/29/2016	\$26,196.00
02/24/2016	Change Order #2: Extend the contract for one year from 3/1/2016 – 2/28/2017, exercising the second (2 nd) of three (3) allowable options to extend and increase the estimated contract total by \$28,260.00 from \$46,764.00 to \$75,024.00 F&P Approval Presented: 02/24/2016	3/1/2016 to 2/28/2017	\$28,260.00
03/22/2017	Change Order #3: Extend the contract for one (1) year from 03/01/2017 to 02/28/2018, exercising the third (3 rd) and final option to extend for one (1) year upon mutual agreement and increase the estimated contract total by \$31,560.00 from \$75,024.00 to \$106,584.00. F&P Approval Presented: 03/22/2017	03/01/2017 to 02/28/2018	\$31,560.00
02/13/2018	Amendment # 4: Extended the contract term for three (3) months from 03/01/2018 through 05/31/2018 to allow time for a new contract to be executed, and increased the estimated contract total by \$7,848.00 from \$106,584.00 to \$114,432.00. F&P Committee review not required	03/01/2018 to 05/31/2018	\$7,848.00
Pending	Amendment #5: Extend the contract term for six (6) months from 06/01/2018 through 11/30/2018 to allow time for a new contract to be executed, and increase the estimated contract total by \$15,696.00 from \$114,432.00 to \$130,128.00.	06/01/2018 To 11/30/2018	\$15,696.00
Total (including the pending amendment)			\$130,128.00