

COUNTY OF SAN MATEO

INTER-DEPARTMENTAL CORRESPONDENCE

DATE: March 14, 2001
HEARING DATE: March 27, 2001

TO: Honorable Board of Supervisors

FROM: Luther Perry, CIO/Director of Information Services
Extension 4234, Pony ISD120 *Luther Perry*

SUBJECT: Replace Disk Storage System for S/390 Server

RECOMMENDATION

- 1) Adopt a resolution authorizing the County Manager to sign a purchase and trade-in agreement for a replacement Disk Storage System for S/390 server at a cost not to exceed \$215,000 net of trade-in, and authorize the President of the Board to notify StorageTek in writing that the County is exercising Convertible Rental Term Rider # 1 of the existing lease,
- 2) Waive the Request for Proposal Process and
- 3) Approve an Appropriation Transfer Request (ATR) from ISD equipment reserves to fixed assets.

Background

Continued growth of the work load on the County's large S/390 server requires another in the periodic upgrades of on-line disk storage capacity. There is no planned or expected reduction in this work load or data volume over the 36-month planning horizon for the disk storage. The County currently has two storage units, one leased from StorageTek and the other of IBM manufacture and purchased used. Both would be exchanged for a single internally-redundant disk storage system of larger aggregate capacity and greater speed and flexibility.

Discussion

This upgrade by replacement is primarily a financial transaction. Comparison of purchase and lease costs shows purchase to be the better choice at this time, it provides more stable and predictable capacity expansion should more on-line storage be needed over the next 36-months.

The County-owned unit can be traded in for a credit of \$150,000 against the estimated purchase cost of some \$365,000 (both after taxes). There are also hard savings from eliminating the maintenance cost on the County-owned unit and from reducing the length of the lease on the other unit from 36 to 25 months, as discussed below, total savings are \$152,775.

We recommend that your Board exercise the lease conversion option for the leased unit. "Convertible Rental Term Rider #1" of StorageTek Lease #9252, which will reduce the lease term from 36 months (June 2002) to 25 months (July 2001), effective at the end of the 25th month, on or about July 31, 2001.

The proposed disk storage system uses the most current version of a traditional technology, ensuring that no changes or conversions are needed for the County's data or software. There is a strongly marketed newer technology, virtual storage that does not use mechanical disks, offered by the three major vendors of compatible on-line storage: StorageTek, IBM, and EMC. This newer technology is much more expensive, offers no significant advantages to the County and has not been uniformly successful in other installations.

We are recommending that your Board waive the Request for Proposal Process as StorageTek is the only vendor currently supplying updated versions of this type of disk storage using traditional technology.

Fiscal Impact

This planned upgrade will be funded from ISD equipment reserves. There is no direct impact on Net County cost or charges to customer departments.

County Counsel has reviewed the proposed agreement and resolution.

RESOLUTION NO _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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RESOLUTION AUTHORIZING THE EXECUTION OF THE CONVERSION OPTION, COUNTY MANAGER TO EXECUTE A PURCHASE AGREEMENT FOR THE DISK STORAGE SYSTEM REPLACEMENT IN AN AMOUNT NOT TO EXCEED \$215,000, AND WAIVING THE FORMAL REQUEST FOR PROPOSAL PROCESS

RESOLVED, by the Board of Supervisors of the County of San Mateo State of California, that

WHEREAS, there has been presented to this Board of Supervisors for its consideration and acceptance Purchase Agreement between the County and StorageTek for the Disk Storage System Replacement to be approved by the County Manager in an amount not to exceed \$215,000,

WHEREAS, this Board has determined that it is in the best interest of the County to waive the formal request for proposal process,

WHEREAS, this Board has been presented with a form of such Purchase Agreement and said Board has examined and approved same as to both form and content and desires to enter into same,

WHEREAS, the County of San Mateo presently leases from StorageTek a Disk Storage System for a 36-month lease period ending June 2001, which lease is identified as StorageTek Lease #9252 and execution of which was authorized by Resolution # 62776 of this Board, and

WHEREAS, StorageTek Lease #9252 includes a provision "Convertible Rental Term Rider #1" giving the County the right to convert said lease from a 36-month period to a 25-month period upon written notice

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED:

1) The formal request for proposal process is waived, 2) The County Manager is hereby authorized and directed to execute said Purchase Agreement, and 3) The President of this Board of Supervisors be, and is hereby, authorized and directed to notify StorageTek in writing that the County of San Mateo is exercising said Convertible Rental Term Rider #1 with the new 25-month lease term ending on or about July 31, 2001, for and on behalf of the County of San Mateo, and the Clerk of this Board shall attest the President's signature thereto

* * * * *

Disk Upgrade



SCHEDULE NO. _____

to Agreement for Purchase of Equipment No. _____ and/or Agreement for Equipment Maintenance No _____
 and/or Agreement for StorageTek Licensed Program No _____ and/or Master Terms and Conditions No _____

Customer Name: County of San Mateo
 Delivery Address: _____

Delivery Date _____
 (Subject to Equipment/Software Availability)

Customer orders the following hardware, and/or maintenance services and/or license for software listed below under the terms of the applicable Agreements(s) referred to above, and Specification Data Sheets denoted below and any Attachments hereto

HARDWARE PURCHASE					MAINTENANCE SERVICE:			
Installation Charge <u>\$1,000 00</u>					Service Term _____ (Months)			
					Service Payments _____ (Months)			
					Type: Total _____			
Hardware Model	Description	Qty	Purchase Price Unit	Extended	Checked if Customer Installed	Maintenance Specifications	Monthly Maint. Charges Unit	Extended
95002A2 0000	SVA9500 2 2ARRAY 4GB CACHE 0CH	1	\$124,250 00	\$124,250 00			\$1,190 00	\$1,190 00
95002A2 290Z	1245GB CAPACITY @ 4 0 COMPRESS	1	\$177,237 50	\$177,237 50			\$0 00	\$0 00
95002A2 9958	LINE FILTER CORD 60	1	\$0 00	\$0 00			\$0 00	\$0 00
95002A2 CCH2	1 0GB EFFECTIVE CACHE UPG	1	\$8,700 00	\$8,700 00			\$180 00	\$180 00
95002A2 ES16	16 ESCON LINKS	1	\$20,800 00	\$20,800 00			\$200 00	\$200 00
95002A2 FM00	0 FC W/MULTI MODE GBICS	1	\$0 00	\$0 00			\$0 00	\$0 00
95002A2 FS00	0 FC W/SINGLE MODE GBICS	1	\$0 00	\$0 00			\$0 00	\$0 00



Subtotal:	\$330,987 50	Total Monthly Maintenance:	\$1,570 00
LESS:			
Trade In Amount:	\$140,000 00		
Total Hardware Price:	\$190,987 50		

1 If Full or Prime is not indicated on page 1, this identifies the maintenance specification (by form number) which describes the maintenance services to be provided. Customer acknowledges receipt of a copy of the maintenance specification(s)

NOTE: *SVA upgrade program included 3 years Free maintenance,
3-2-01 Mary Neill account executive StorageTek.*

Storage Technology Corporation
("STORAGETEK")

County of San Mateo

("Customer")

/s/ _____

Typed Name: _____

Title: _____

Date: _____

/s/ _____

Typed Name: _____

Title: _____

Date: _____

**COUNTY OF SAN MATEO
APPROPRIATION TRANSFER REQUEST**

REQUEST NO

DEPARTMENT

Information Services Department

DATE

3/14/01

1. REQUEST TRANSFER OF APPROPRIATIONS AS LISTED BELOW:

		C O D E S		AMOUNT	DESCRIPTION
		FUND OR ORG	ACCOUNT		
From	18556	8612	\$215,000	00	Equipment Reserves
To	18556	7311	\$215,000	00	Fixed Assets

Justification (Attach Memo if Necessary)

To fund the purchase of the replacement disk storage system.

DEPARTMENT HEAD

BY

Luther Perry

DATE

3/15/01

2 Board Action Required

Four-Fifths Vote Required

Board Action Not Required

Remarks

COUNTY CONTROLLER

BY

DATE

3. Approve as Requested

Approve as Revised

Disapprove

Remarks.

COUNTY MANAGER

BY

DATE

DO NOT WRITE BELOW THIS LINE — FOR BOARD OF SUPERVISORS' USE ONLY

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO STATE OF CALIFORNIA

RESOLUTION TRANSFERRING FUNDS

RESOLUTION NO. _____

RESOLVED by the Board of Supervisors of the County of San Mateo, that

WHEREAS the Department hereinabove named in the Request for Appropriation, Allotment or Transfer of Funds has requested the transfer of certain funds as described in said Request and

WHEREAS, the County Controller has approved said Request as to accounting and available balances and the County Manager has recommended the transfer of funds as set forth hereinabove:

NOW, THEREFORE, IT IS HEREBY ORDERED AND DETERMINED that the recommendations of the County Manager be approved and that the transfer of funds as set forth in said Request be effected.

Regularly passed and adopted this _____ day of _____, 19____.

Ayes and in favor of said resolution:

Noes and against said resolution:

Supervisors: _____

Supervisors: _____

 Absent
 Supervisors: _____

ATTEST:

CHAIRMAN, BOARD OF SUPERVISORS
COUNTY OF SAN MATEO

Clerk of Said Board

DISTRIBUTION	
WHITE	— BOARD OF SUPERVISORS
GREEN	— CONTROLLER
CANARY	— COUNTY MANAGER
PINK	— DEPARTMENT
GOLDENROD	— TREASURER