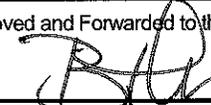# OAKLEY

CALIFORNIA

STAFF REPORT

Date: April 5, 2016

To: Bryan H. Montgomery, City Manager

From: Deborah Sultan, Finance Director

Approved and Forwarded to the City Council:

Bryan Montgomery, City Manager

SUBJECT: Authorize purchase of Network Array for the City Information Technology will System

Background and Analysis

In the designated Equipment Replacement Fund we have allocated $90,000 for the replacement of the network disk array that provides hard disk space for the Oakley City Hall and PD Servers. The original Disk Array purchased in 2009 has now reached its end of life and is running seriously low on free disk space and needs to be replaced. This disk array is used to provide hard drive space to all virtual servers in the Oakley Cloud in a redundant fashion.

This purchase qualifies as exempt from the City's competitive bidding requirement because it involves goods of a technical nature that makes it difficult for a vendor to bid on a standard set of specifications. While there are products in the marketplace that are similar to what we need, none match up exactly, given that XIO is an offshoot of Seagate and has access to proprietary technology. Our Network Manager at Antai Solutions has worked with XIOTECH directly and received authorization from their management for a special price for Oakley. (The normal list price for a similarly configured Disk array is in excess of $97,000). We have also confirmed with several other reputable vendors that this product is only available direct from this manufacturer.

The age of the original system, purchased in 2009, is an issue and the warranty cannot be renewed with the manufacturer. While the allocation of space has been done judiciously, the amount of free disk space currently available does not provide for projected growth or for future needs of the City. We have an immediate need for 1-2 new servers that cannot be satisfied until the disk array system is replaced. (Every time a new virtual server is launched instead of a physical one, the City saves approximately $12,000 in hardware, software and labor).

The intended replacement is from XIO Technology and includes a number of benefits that were not available in 2009. The most important is that the hard drives do not have to be replaced individually as the drives come from the factory hard wired to the chassis. As XIOTCH is an offshoot of Seagate Technologies, it has access to proprietary Seagate technology which allows them to repair soft errors in hard drives on "on the fly". In addition, they provide a "hidden" 30% additional space that is used to replace hard errors instead of

shipping out a replacement drive. The XIO disk array includes a 5 year warranty in the base price. This system will fit into our existing Oakley cloud seamlessly.

Fiscal Impact

The purchase of the array for $72,852.70 and $8,500 for the labor to install it for a total of $81,352.70 will impact the Equipment Replacement Fund.

Recommendation

Staff recommends the City Council authorize the purchase of the new disk array from XIOTECH for 72,852.70.