

Agenda Report

January 13, 2025

TO: Honorable Mayor and City Council

FROM: Department of Information Technology

SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH IMPEX TECHNOLOGIES, INC. FOR REPLACEMENT OF NUTANIX SERVER EQUIPMENT IN AN AMOUNT NOT-TO-EXCEED \$754,733

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the recommended actions are exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061 (b)(3), the "common sense" provision that CEQA only applies to projects that may have an effect on the environment;
2. Award contract to the lowest and best bid dated November 11, 2024 by Impex Technologies, Inc. (Impex) in response to specifications for Lifecycle Hardware Replacement, and authorize the City Manager to enter into a contract for an amount not to exceed \$754,733; and
3. Authorize the City Manager to approve no-cost amendments to the subject contract, including durational extensions.

BACKGROUND:

The City of Pasadena utilizes Nutanix server technology as the core computing infrastructure supporting many applications and systems used by all City departments to provide municipal services to the community. Nutanix is a recognized leader delivering centralized management of the entire server infrastructure, streamlining monitoring, management, support and troubleshooting processes. Additionally, the platform provides cost efficiencies, enhanced performance and reliability, and more robust scalability by standardizing computing infrastructure within one vendor platform.

A portion of the Nutanix infrastructure originally procured in 2019 is reaching end of life, and both hardware and software components will no longer be supported. Replacing outdated infrastructure is essential to mitigate risks associated with discontinued vendor support. These risks include hardware failures, security vulnerabilities, and compatibility issues. The portion of Nutanix Server technology needing replacement will become unsupported after May 2025, leaving the City susceptible to these risks. Replacement infrastructure will enhance performance, reliability, and security, providing the ability to handle increased workloads and future-proof operations for advanced technologies.

Therefore, Department of Information Technology (DoIT) staff prepared bid specifications for the subject contract. Bids were requested and received in accordance with Section 4.08.060 of the Pasadena Municipal Code. On October 31, 2024, a Notice Inviting Bids for Lifecycle Hardware Replacement was published in various trade journals, as well as posted on OpenGov procurement. The electronic posting generated notices to over 3,700 vendors registered with the City, including 267 local vendors, and documents were downloaded by 17 vendors. A single responsive bid from Impex was received by the submission deadline of November 12, 2024.

This bid specification, developed by DoIT engineers, has a total retail list price of \$976,798. Only one responsive bid of \$754,733 was received, which is \$222,065, or almost 23% under the list price per the below:

<u>Bidder</u>	<u>Amount</u>
1. Impex Technologies, Inc., El Segundo, CA	\$754,733

The bid submitted by Impex meets all requirements of the specifications and was within six percent the DoIT Engineer's estimate of \$800,000. It was anticipated that Impex may be the only bidder due to their existing relationship with the equipment manufacturer, which likely provides them with favorable pricing for these products specifically for the City of Pasadena.

The City has awarded 44 contracts to Impex for a variety of technology products and services since 2015 for a total amount of almost \$3.3 million. It is therefore recommended that a contract be awarded in the amount of \$754,733 for the Nutanix products and services defined in the specification.

The City Council recently awarded a similar bid to Impex for Nutanix products and services to support the computing infrastructure of Pasadena Water & Power. Staff made efforts to align both purchases, but timing and other constraints following the formal bidding processes precluded a joint procurement. Staff are committed to exploring opportunities to more efficiently procure Nutanix products and services for both city departments in the future.

COUNCIL POLICY CONSIDERATION:

The proposed contract is consistent with the City Council's goals to maintain fiscal responsibility and stability.

ENVIRONMENTAL ANALYSIS:

The proposed contract is exempt from the CEQA pursuant to State CEQA Guidelines Section 15061(b) (3), the "common sense" provision of CEQA (formerly the general rule), which applies to projects which may have the potential for causing a significant effect on the environment. The proposed action will not result in any new development or physical changes.

FISCAL IMPACT:

The total cost of this action will be \$754,733. Funding for this action will be addressed by the utilization of existing budgeted appropriations in Capital Improvement Program project #71171 (DoIT Equipment Lifecycle Replacement FY 2025 - FY 2029). It is anticipated that the entire amount will be spent in FY 2025. There are no indirect or support costs anticipated as a result of this contract award.

Respectfully submitted,



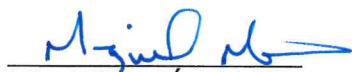
PHILLIP LECLAIR
Chief Information Officer
Department of Information Technology

Prepared by:



Gary Parrott
Senior Systems Engineer/Administrator

Approved by:



MIGUEL MÁRQUEZ
City Manager