

**CITY OF SAN ANTONIO  
PURCHASING & GENERAL SERVICES DEPARTMENT  
CITY COUNCIL AGENDA MEMORANDUM**

CONSENT AGENDA  
ITEM NO. 10

TO: Mayor and City Council

FROM: Janie B. Cantu, Director of Purchasing & General Services

SUBJECT: IBM Mainframe System

DATE: December 16, 2004

**SUMMARY & RECOMMENDATION**

This ordinance authorizes the City of San Antonio Purchasing Department to accept the offer submitted by Sirius Enterprise Systems Group to provide the City of San Antonio Information Technology Services Department with an IBM Mainframe System. Staff recommends approval of this ordinance.

**BACKGROUND INFORMATION**

A request for quotation was solicited to purchase an IBM Mainframe System for the City of San Antonio Information Technology Services Department utilizing the State of Texas Multiple Award Schedule (TXMAS). Two quotes were obtained from vendors offering IBM equipment for a customized solution to meet the needs of the City. The equipment and services offered by Sirius Enterprise Systems Group was determined to be the best offer.

The TXMAS program offers municipalities at the same pricing as the Federal Government receives on the GSA Schedule. This program is an attractive method of procurement, offering competitive pricing and the ability to negotiate with vendors to design a complex system such as this mainframe.

This contract will provide the Information Technology Services Department with computer equipment required to support the City's Information Technology Infrastructure. The IBM Mainframe computer will be used by multiple City Departments to run legacy software programs such as those used by Fire and Police on a daily basis. Sirius Enterprise Systems Group will provide a very extensive data migration to relocate the data from the current mainframe to the new system with minimal downtime. Upon completion of the installation, Sirius and IBM will provide ITSD personnel with training and be available to provide 24 hour/7 day a week support.

The purchase will include all equipment, software, training and a 12 month warranty plan followed by a 4 year maintenance plan. The reduction in costs is realized by executing IBM software on an IBM hardware platform. Today, the IBM software cost running on the Amdahl platform is \$65,572 per month with maintenance and support cost of \$10,909.00 per month for a total outlay of \$76,481.00 per month. The IBM platform will reduce the Software cost to \$38,800.00 per month with the financing of the hardware including maintenance and support cost not to exceed \$22,852.00 for a total outlay of \$61,652.00 per month. This new monthly outlay will result in an annual savings of \$177,948.00.

**POLICY ANALYSIS**

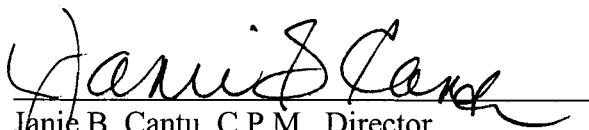
This purchase will be from Sirius Enterprise Systems Group utilizing the Texas Building and Procurement Center's Texas Multiple Award Schedule or "TXMAS" program in accordance with the State of Texas Cooperative Purchasing Agreement adopted by the City of San Antonio Resolution No. 91-39-53.

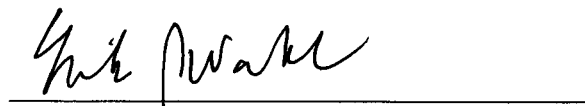
**FISCAL IMPACT**

The total hardware cost is \$944,499 which includes installation and 5 years of on-site maintenance. ITSD will provide the funding for the \$944,499 to take advantage of year end purchase discounts. Finance is preparing an item for January/February 2005 time frame to secure a low interest rate loan to finance the hardware for five years at which time the ITSD fund will be repaid. This item also includes a 3 year software license including the operating system and all utilities at an annual cost of \$232,196.04. Funds to cover these costs were approved as part of the FY04-05 budget.

**COORDINATION**

This item has been coordinated with the City of San Antonio Information Technology Services Department.

  
Janie B. Cantu, C.P.M., Director  
Purchasing & General Services

  
Erik J. Walsh  
Assistant to the City Manager

# City of San Antonio Bid Tabulation

		Bid #1		Bid #2
Opened: May 26, 2004		Sirius Enterprise Systems Group	Mainline Information Systems	Sirius Enterprise Systems Group
For: IBM Z890 Mainframe System		7 Inverness Drive East	3218 Meredith St.	7 Inverness Drive East
04-078	LB/clb	Englewood CO 80112	Austin TX 78703	Englewood CO 80112
<b>Description</b>				
Z890 Mainframe Computer		\$752,000.00	\$918,304.00	\$798,000.00
Z890 5-Year Extended Maintenance		\$193,776.00	Included	\$193,776.00
Optica New Channel Adaptors		\$18,723.00	N/A	\$0.00
IBM Used Channel Adaptors		\$0.00	Included	\$9,100.00
Trade In / Discounts		-\$20,000.00	\$0.00	-\$20,000.00
EGO Software (36 months)		\$696,588.12	\$776,664.00	\$696,588.12
TERMS		Net 30	Net 30	Net 30
<b>TOTAL AWARD</b>		<b>\$1,641,087.12</b>	<b>\$1,694,968.00</b>	<b>\$1,677,464.12</b>