DEPARTMENT OF PROCUREMENT SERVICES

MEMORANDUM
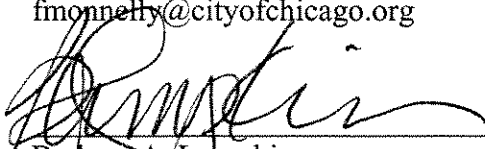
Date: August 28, 2006

To: Steven J. Lux, City Comptroller

Department: Finance

Attn: Frank Monnelly

Email: fmonnelly@cityofchicago.org

From:

Barbara A. Lumpkin
Chief Procurement Officer

Re: Operational Emergency Purchase Order Authorization

Vendor Number:	1070541	Amount:	$195,118.00
PO Number:	12582	RX Number:	29128

Pursuant to Section 2-92-644 of the Municipal Purchasing Act, I am authorizing you to make an Emergency purchase from 411 Computers, Inc. Based upon information received from members of your staff, I have determined that this procurement is necessary to meet bona fide operating emergencies.

You are hereby authorized to procure an 'IBM i-Series mid-range Computer' in the amount of $195,118.00 as requested in your letter dated July 28, 2006 and your revised letter of August 25, 2006. Any amount in excess of the $195,118.00 approved here will be subject to additional authorization and will be limited so as not to exceed the $250,000.00 limit established by statute.

cc: Barbara A. Lumpkin
Douglas Yerkes
Lourdes Nur
Claude Humphrey
Lorel Blameuser
Scan
File: (Specification Number: 49460)
RX 29128

Memorandum

To: Barbara A. Lumpkin
        Chief Procurement Officer

From: Steven Lux
        City Comptroller

Date: August 25, 2006

RE: Request for Emergency Contract Requisition 29128-Additional Information

The Department of Finance seeks an emergency contract for the following:

<u>Goods and Services</u>

IBM i-Series mid-range computer as follows:
Item   Description
9406   System Unit
            i520 Enterprise Edition (minimum 3800 CPW)
            1.75TB of total DASD
            8GB of system memory
            Rack mounted with dual power
            Comparable communications lines from 820 system
            All system software from 9406-BBC8B to be transferred
3581   Tape drive
9910   Uninterruptible Power System
D5762LL   HATS Software
Services   System smooth start
Services   HATS implementation

<u>Explanation of the situation</u>

The I series is the repository of all of the City's time and attendance data and is the source of payroll data entry for all City departments.

<u>Explanation of emergency</u>

The current i-Series mid range computer has reached its operational capacity. The interactive feature of the existing processor is undersized and its period of usefulness has expired. Repeatedly, the interactive activity exceeds the systems allowed threshold, resulting in erratic response times and diminished system throughput. The major effect is when operating departments are completing their CATA edits which input CHIPPS payroll.

This is an operational emergency for the Department of Finance's mandate to provide payroll for approximately 38,000 City employees providing public safety, health and human services to the citizens of Chicago. The I-series provides the data input for payroll.

The Office of the City Comptroller provides this vital payroll function for the City.

Emergency_Purchase08252006.doc

Memorandum

To: Barbara A. Lumpkin
        Chief Procurement Officer

From: Steven Lux
        Acting City Comptroller

Date: July 28, 2006

RE: Request for Emergency Contract Requisition 29128

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<u>Goods and Services</u>

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<u>Explanation of the situation</u>

The I series is the repository of all of the City's time and attendance data and is the source of payroll data entry for all City departments.

<u>Explanation of emergency</u>
The current i Series mid-range computer is at its maximum utilization and has to be replaced for the following reasons:
1.   The interactive feature of the existing processor is undersized and its period of usefulness has expired. Repeatedly, the interactive activity exceeds the systems allowed threshold, resulting in erratic response times and diminished system throughput. Documented instances of this are as recent as 17-Jul-2006 and as dated as 03-Apr-2006. The impact of this issue on timely payroll processing is significant, as it occurs routinely and predictably at a critical point in the payroll cycle, on the day the payroll runs and editors are completing edits. When maximum efficiency is needed is when the system performs at its worst, placing unnecessary burdens on a variety of payroll personnel throughout the City's departments. Efficient and timely processing at all points in the payroll cycle is crucial and requires an upgrade of both the processor and its associated interactive feature.
2.   The existing tape drive is obsolete. Its antiquated hardware architecture, software programs and the associated tape medium is problematic. The most serious problem is failed backups; the most recent of which occurred 18-Jul-2006. On 24-Jul-2006, the tape drive failed forcing a service call from IBM to repair the tape drive. The potential repercussions of an incomplete backup are huge. Should an unrecoverable failure to the i-Series occur, all data needed to continue processing payroll and tracking time and

attendance may not be available for restoration. Also a main concern is the quality of backups. The slow speed at which the tape drive performs prevents a full "Save System" backup from occurring nightly. And while a partial "Save Changed Objects" backup is run nightly, and is a safe alternative, it is far from ideal. Proper protection of the City's time and attendance and payroll data requires a new tape drive.

3. With an i820 (current system), customers are required to own 150 user licenses before they are automatically converted into an unlimited group license. Since the city only owns 125 user licenses, IBM recently issued an out-of-compliance notice. The i520 (proposed system) only requires 100 user licenses before the automatic conversion to an unlimited group license. Therefore, the purchase of a 520 and subsequent transfer of the 125 user licenses to that i520 will close the compliance issue (at no additional cost to the city for Client Access software).

4. The Chicago Police Department mandated that all sworn personnel use the Chicago Automated Time and Attendance (CATA) system to record attendance. The present I series has surpassed licensed interactive users and does not have the ability to accommodate additional editors.

Process for soliciting quotations

IBM provided the names of five companies that could provide the goods and services. An email (on 6/29/06) was sent to each vendor with a specification of goods and services needed. The vendors were given until July 10, 2006 to respond with a bid. A committee reviewed the quotations and selected a vendor.

Firms Solicited

411 Solutions International
IBM
Optimus Solutions
Mainline Information Systems
Sirius Computer Solutions

Preferred Vendor

411 Solutions International

Justification for Preferred Vendor

411 Solutions International offered the lowest price, has the technical ability to install hardware and software and is certified MBE/WBE enterprise.

City Of Chicago
820 to 520 UPGRADE

10-Jul-06

QUANTITY	HARDWARE	DESCRIPTION	PRICE	
1	9406-520	Server 1:9406 Model 520	N/C	
1	7736	Enterprise 1/2w 3800-7100	$	129,900.00
4	0348	V.24/EIA232 20-FT PCI Cab	$	500.00
1	0353	V.35 20- FT PCI Cable	$	125.00
1	0367	Operations Console PCI Cab	$	125.00
1	0551	iSeries Rack	$	2,668.00
1	0595	PCI-X Tower Unit in Rack	$	7,995.00
1	1482	3.5m HSL-2 Cable	$	550.00
2	1483	10m HSL - 2 Cable	$	1,700.00
1	1827	Serial -UPS Conversion Cab	$	95.00
1	2640	DVD-ROM	$	207.00
3	2742	PCI Two - Line WAN IOA	$	1,275.00
2	2805	PCI Quad modem IOA	$	3,200.00
3	2844	PCI IOP	$	6,300.00
1	2888	HSL - 2/RIO-G Ports -2 Cop	$	475.00
50	4326	35.16GB 15k rpm Disk Unit	$	59,950.00
2	4475	4GB DDR2 Main Storage	$	5,562.00
1	5094	PCI -X Expansion Tower	$	15,900.00
1	5108	30-Disk Expansion Feature	$	9,000.00
1	5115	Dual Line cords - Tower	$	3,000.00
1	5138	Redundant Power and Cooling	$	1,350.00
1	5159	AC Power Supply, 850 W	$	417.00
1	5706	PCI-X Gbps Ethernet-TX IOA	$	999.00
1	5727	Integrated Cache - 40 MB	$	1,499.00
1	5761	PC-X Fibre Channel Tape	$	2,646.00
5	5776	PCI-X DASD Controller-90M	$	9,995.00
1	6006	SPCN 3m Cable	$	40.00
1	6007	SPCN 15m Cable	$	70.00
1	6008	SPCN 6m Cable	$	50.00
1	6246	1.8m Rack Trim Kit	$	132.00
2	6654	PDU to Wall Power cord 14'	$	400.00
2	7188	Power Dist Unit-Side Mount Connector	$	2,000.00
		TOTAL IBM HARDWARE PRICE	**$**	**268,125.00**

QUANTITY	HARDWARE	DESCRIPTION	PRICE	
1	3581-F38	Fibre Tape Autoloader	$	12,780.00
1	6005	5 m LC/LC Fibr Channel c	$	155.00
1	7003	Rack Mount Kit	$	399.00
		TOTAL IBM HARDWARE PRICE	**$**	**13,334.00**

QUANTITY	HARDWARE	DESCRIPTION	PRICE	
1	9910	UPS 9910 (4500 Watts) Rack Model	$	2,900.00
1	1420	L6-30 to L6-30 14ft US	$	82.00
1	2936	PW Relay Card-i-series communications	$	153.00
1	6632	Rail Kit	$	150.00
1	6641	PW Extended Battery Module (EBM)	$	990.00
		TOTAL IBM HARDWARE PRICE	**$**	**4,275.00**

QUANTITY	SYSTEM SW	DESCRIPTION	PRICE	

1	5722-AC3	Cryptographic Access Provider		N/C
1	5722-BR1	IBM Backup and Recovery Media Services for iSeries		N/C
1	5722-CE3	iSeries Client Encryption		N/C
1	5722-CM1	IBM Communications Utilities		N/C
1	5722-PT1	IBM Performance Tools		N/C
1	5722-QU1	IBM Query for iSeries		N/C
1	5722-SS1	i5/OS		N/C
1	5722-ST1	IBM DB2 Query Manager		N/C
1	5722-WDS	IBM WebSphere Development Toolset		N/C
1	5722-WE1	Web Enablement for iSeries		N/C
1	5722-WE2	Web Enablement for i5/OS		N/C
1	5722-XW1	iSeries Access		N/C
1	5733-SC1	Portable Utilities for i5		N/C
1	5733-SPP	IBM software Maintenance Products, 1 Yr Registration		N/C
	4915	P20 Registration/Renewal 24x7	$	392.00
1	5733-VE1	Virtualization Engine		N/C
1	5733-WSE	Workplace Services Express		N/C
		TOTAL SYSTEM SW PRICE	**$**	**392.00** *

QUANTITY	HATS SW	DESCRIPTION	PRICE	
1	D5762LL	Webfacing Deployment Tool For WDS W/HATS Processor P20 License and SW Maint 12 Mo.	$	4,080.00
		TOTAL HATS SW PRICE	**$**	**4,080.00**

QUANTITY	411 SERVICES	DESCRIPTION	PRICE	
1		i520 System Installation + HATS Implementation	$	30,000.00
		TOTAL 411 SERVICES PRICE	**$**	**30,000.00** **
		GRAND TOTAL PROJECT PRICE	**$**	**320,206.00**
		GRAND TOTAL PROJECT COST	**$**	**255,118.00**
		REBATE	**$**	**60,000.00**
		GRAND TOTAL COST AFTER REBATE	**$**	**195,118.00**
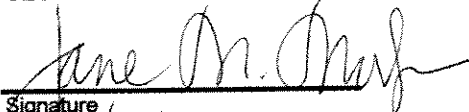
* Incorporates Software Transfers From 9406-820/Serial# BBC8B

** New System Has To Be Purchased By 9.15.2006 And Ship By 9.30.2006. Rebate Form Must Be Filled Out And Submitted To IBM 1 Month From The Purchase Date. 820 System Has To Be Returned To IBM Within 4 Months After The Purchase Date.

PRICES INCLUDE FREIGHT. INSTALLATION IS ADDITIONAL

The prices quoted are subject to change without prior notification on or before 7.20.2006

Jane M. Morgan
CEO

Signature

7/10/06

Date