



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt Resolution Authorizing Renewal of IBM Hardware Maintenance Contract from Logical Design, Inc., of Rancho Cordova, CA (\$14,615.00)
MEETING DATE: September 7, 2005
PREPARED BY: Information Systems Manager

RECOMMENDED ACTION: That the City Council adopt a resolution authorizing the renewal of the IBM Hardware Maintenance Contract for the City's IBM AS400 computer and peripheral devices from Logical Design, Inc., of Rancho Cordova, CA, in the amount of (\$14,615.00), and grant City Manager authority to approve subsequent annual renewals.

BACKGROUND INFORMATION: The City has historically purchased a maintenance contract, renewable annually, through an authorized IBM service provider covering specific hardware items. These items include the IBM AS400 computer, a tape drive unit, and an IBM printer. All three items are critical to the ongoing business needs of the City.

The contract includes parts and labor for repairs, and coverage is for 24-hours a day, seven days a week.

The current contract expires on September 30, 2005. The new contract will be effective October 1, 2005 to August 18, 2006. The term of this contract is less than a year so that its expiration date will coincide with other IBM contracts.

Logical Design, Inc. is the IBM vendor/partner assigned to handle the City's account. Prices are standard through IBM, and there would be no savings to the City by buying directly from IBM or from another IBM vendor/partner. Accordingly, staff is recommending selection of Logical Design, Inc. for the maintenance contract in the amount of (\$14,615.00).

Following is a pricing breakdown of the equipment charges:

- IBM iSeries 9406-820 SN: B475B \$ 11,289.00
 - Mennes 1432-M91 Printer SN: E053630 \$ 1,712.00
 - Ultrium 3581-H17 Line Printer SN: 1318217 \$ 1,614.00
- Total \$14,615.00**

An alternative to not renewing the contract is to opt for no hardware maintenance coverage on these selected pieces of equipment. All parts and labor would be provided on a time and materials basis, and

APPROVED: 
Blair King, City Manager

there would be no contractual response time. Given the critical nature of these hardware components, staff is not recommending this alternative.

FISCAL IMPACT: This item has been budgeted.

FUNDING: ISD REPAIRS TO OFFICE EQUIPMENT – 100412.7332 (\$14,615.00)

James R. Krueger
James R. Krueger, Finance Director

Steve Mann
Steve Mann
Information Systems Manager

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RESOLUTION NO. 2005-175

A RESOLUTION OF THE LODI CITY COUNCIL
AUTHORIZING RENEWAL OF IBM
HARDWARE MAINTENANCE CONTRACT

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WHEREAS, Lodi Municipal Code §3.20.070 authorizes dispensing with bids for purchases of supplies, services, or equipment when it is in the best interest of the City to do so; and

WHEREAS, the City has historically purchased a maintenance contract, renewable annually through an IBM service provider covering specific hardware items, i.e. IBM AS400 computer, tape drive unit, and IBM printer, which are critical to the ongoing business needs of the City of Lodi; and

WHEREAS, the current contract expires on September 30, 2005, and the new contract will be effective October 1, 2005 through August 18, 2006; and

WHEREAS, staff recommends that the City Council authorize the renewal of the Maintenance Contract through Logical Design, Inc., of Rancho Cordova, CA, which is the IBM vendor/partner assigned to handle the City account, in the amount of \$14,615.00; and

WHEREAS, staff further recommends that the City Council authorize the City Manager to approve subsequent annual renewals in the future.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the renewal of IBM Hardware Maintenance Contract through Logical Design, Inc., of Rancho Cordova, California, in the amount of \$14,615.00; and

BE IT FURTHER RESOLVED that the City Manager is hereby authorized and directed to approve subsequent annual renewals in the future.

Dated: September 7, 2005

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I hereby certify that Resolution No. 2005-175 was passed and adopted by the Lodi City Council in a regular meeting held September 7, 2005, by the following vote:

- AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Johnson, Mounce, and Mayor Beckman
- NOES: COUNCIL MEMBERS – None
- ABSENT: COUNCIL MEMBERS – None
- ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON
City Clerk