VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda
BIDS AND PROPOSALS

To: President and Village Board of Trustees

FROM: David A Hulseberg, Village Manager

DATE: April 27, 2011 Agenda Date: May 5, 2011

TITLE: Computer Network Equipment for
Village-Wide Computer Software Purchase

SUBMITTED BY: Tim Sexton, Finance Director
Larry Mcghinnis, I.T. Manager

RESULTS:

Date Bids Were Published:..Date Bidding Closed: / /

Total Number of Bids Received...............................

	Yes	No
Total Number of Bidders Meeting Specifications	☐ Yes	☐ No
Bid Security Required	☐ Yes	☐ No
Performance Bond Required	☐ Yes	☐ No
Were Any Bids Withdrawn	☐ Yes	☐ No
Explanation	☐ Yes	☐ No

    If yes, explain:

Waiver of Bids Requested?...☒ Yes   ☐ No

    If yes, explain: Village has standardized on Dell computers. Government pricing used.

Award Recommended to Lowest Responsible Bidder........☐ Yes   ☐ No

    If no, explain:

FISCAL IMPACT:

Funding for this project would come from the technology reserve account that has funding allocated for equipment.

BACKGROUND/RECOMMENDATION:

See attached memos to Village Manager David Hulseberg from Tim Sexton, Finance Director and Larry McGhinnis, IT Manager

	Yes	No
Has Recommended Bidder Worked for Village Previously	☒ Yes	☐ No
If yes, was quality of work acceptable	☒ Yes	☐ No
Was item bid in accordance with Public Act 85-1295?	☐ Yes	☐ No
Waiver of bids - Public Act 85-1295 does not apply	☒ Yes	

REVIEW (as needed):

Finance Director XX _____ Date 4/27/11

Village Manager XX _____ Date 4/27/11

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 Noon, Wednesday, prior to the Board Agenda distribution.

To: David A. Hulseberg
Village Manager

From: Tim Sexton, Finance Director
Larry McGhinnis, IT Manager

Date: April 27, 2011

Subject: Village-Wide Software

Executive Summary

Recommendation to purchase NWS software of $1,421,350, five year NWS maintenance of $784,000, the SAN and servers purchase of $143,650, and the Microsoft licensing purchase of $42,800. The NWS software, SAN and servers, and Microsoft licensing will all be purchased from the Technology Reserve Account. The maintenance costs will be paid from the General Fund and Water/Sewer Fund over the next five years. As discussed with the Village Board during the budget process, the implementation of the police software (Aegis) will take place during FYE 2012, and the implementation of the administrative software (Logos) will take place during FYE 2013.

Background

The Software Evaluation Team recommended that the Village proceed with contract negotiations with New World Systems (NWS) for a complete integrated Enterprise Resource Planning (ERP) system. This recommendation came after the team spent 8 months preparing requirements for a RFQ, sending out the RFQ, selecting vendors for demonstrations, participating in vendor demonstrations, going through on-site visits to other agencies, and finally reviewing the proposals. Attached is the Team's memo on their recommendation.

On February 17, 2011 the preliminary contract was received from New World Systems. Larry and I reviewed the contract then met with Attorney Tom Bayer on February 23 to discuss the process for having the contract reviewed. Tom indicated that he would have Attorney George Wagner review the contract since George had just completed New World System's contract review with Mount Prospect a couple of months earlier.

Village Attorney George Wagner and New World's attorney completed their review and a revised contract was received on 3-24-2011.

Larry and I reviewed the contract and made arrangements to travel to Troy, Michigan on March 28 & 29 to visit the corporate headquarters of NWS, in order to negotiate the contract with NWS. Prior to leaving for the trip Larry spoke with George and reviewed his additional suggestions to the contract that we should consider while we were visiting NWS headquarters.

Our discussions with NWS started with a meeting with Larry Leinweber, President and CEO of NWS. There were presentations on Professional Services (Overview of Implementation Services and Team), Solution Consulting (Overview of NWS Technology, Vision, Software Development Philosophy & Methodologies) and then we spent several hours reviewing the contract and discussing additional changes. The next morning Larry and I went back to NWS for a presentation on Customer Care & Support and to take of tour of their facilities. We were able to observe how support calls were handled and where the development team is located. Finally, we met with the attorney for NWS to review additional changes to the contract.

It is our recommendation that we award a contract to New World Systems for their Logos and Aegis software applications in an amount not to exceed $1,421,350 for the purchase, installation and training of this software, and $784,000 for the five years of maintenance costs on the software, for a total of $2,205,350. This cost does not include hardware or Microsoft Licensing that needs to be purchased separately.

For the past couple of years, Larry and the IT staff have been reviewing the computer hardware infrastructure requirements for changing software platforms. As stated above the hardware and Microsoft licensing is not included in the New World contract.

One of the recommendations that IT has been reviewing for the last couple of years is to implement Hardware Virtualization using a storage area network (SAN). Hardware Virtualization uses software to create a Virtual Machine that emulates a physical computer. By providing multiple Virtual Machines at once, several operating systems can run simultaneously on a single physical machine. Rather than paying for many under-utilized server machines, each dedicated to a specific workload, server virtualization allows those workloads to be consolidated onto a smaller number of more fully-used machines. Server virtualization will help to reduce IT workload and costs, reduce storage space required for servers, and reduce energy costs. Currently, the Village has 24 separate servers, and through the use of the SAN, that number will be reduced to 10 servers.

A storage area network (SAN) is a high-speed data network that interconnects different kinds of data storage devices with associated data servers on behalf of a larger network of users. Typically, a storage area network is part of the overall network of computing resources for an enterprise.

IT is recommending the purchase of hardware and software that will cover the requirements of the NWS software and the village network for the next 5 years. Again, while it is recommended to use a SAN to run NWS software, this replacement will encompass the entire server infrastructure for the Village, and benefit all applications that the Village uses.

IT recommends awarding a purchase from Dell Inc. for servers and storage area network servers in an amount not to exceed $143,650. We have received government discounts on this purchase.

IT recommends awarding a purchase from CDWG for Microsoft licensing products in an amount not to exceed $42,800. About 1/3 of this purchase is for the upgrade of Microsoft Exchange to Exchange 2010, which was already planned as part of the FYE 2012 budget process. Purchase of these products is from the state contract through CDWG.

The initial purchase of the NWS software of $1,421,350, the SAN purchase of $143,650 and the Microsoft licensing purchase of $42,800 will all be purchased from the Technology Reserve Account. The maintenance costs will be paid from the General Fund and Water/Sewer Fund over the next five years. As discussed with the Village Board during the budget process, the implementation of the police software (Aegis) will take place during FYE 2012, and the implementation of the administrative software (Logos) will take place during FYE 2013.

SUMMARY OF COSTS

LOGOS SOFTWARE	COST	AEGIS SOFTWARE	COST	TOTALS
A Licensed Software	389,900	A Licensed Software	363,700	
B Implementation	317,500	B- Implementation	177,000	
C Data File Conversion Services	22,000	C Third Party Products	59,250	
D Development software	16,100			
ONE TIME PROJECT COST	**745,500**	ONE TIME PROJECT COST	**599,950**	**1,345,450**
E Performance Bond (at Village Option)	9,000	D Performance Bond (at Village Option)	6,900	
F Travel Expenses	42,000	F Travel Expenses	18,000	
H Budget custom software	15,000			
LOGOS TOTAL COSTS	**796,500**	**AEGIS TOTAL COSTS**	**624,850**	**1,421,350**
		SAN/Servers		143,650
		Microsoft Licensing		42,800
		Total cost for NWS including Hardware/Software		**1,607,800**

Annual Maintenance		Annual Maintenance		
Year 1	0	Year 1	0	
Year 2	93,000	Year 2	95,000	188,000
Year 3	98,000	Year 3	95,000	193,000
Year 4	103,000	Year 4	95,000	198,000
Year 5	110,000	Year 5	95,000	205,000