

# IT Infrastructure Refresh Project Request for Proposals

City Council  
December 18, 2018  
Item 3.4

# IT Infrastructure Refresh



- City's IT infrastructure includes all of the network and server equipment and operational software required to support the City's IT operations
- 70% of City's IT Infrastructure at end of life
- Replacement of City's servers are integral to:
  - Addressing City Auditor's 2012 "Audit of Information Technology Controls" recommendations
  - Supporting and accommodating Smart Cities goals.

# Request for Proposal Overview

- 31 companies participated in mandatory pre-proposal conference and site visit
- 7 proposals received and evaluated by a 5-member team, representatives from ITD, Public Works, and the County of Santa Clara
- 4 proposers invited to oral presentations and subsequently invited to submit first Best and Final Offer (BAFO)
- Notice of Intended Award (NOIA) initially awarded to Savant Solutions, but later rescinded
- 4 proposers invited to submit second BAFO and a new NOIA was issued

# Final Evaluation Scores

Evaluation Criteria	Maximum Points	Insight Public Sector	Kovarus, Inc.	Savant Solutions	SHI International Corp.
Experience	5	4	4	3	4
Project Approach/Schedule	15	13	13	12	12
Technical Capabilities	10	7	7	8	7
Cost (Second BAFO)	15	13	14	15	14
System Demonstration	45	28	36	33	39
Local Business Preference	5	5	0	0	0
Small Business Preference	5	0	0	0	0
<b>TOTAL</b>	<b>100</b>	<b>70</b>	<b>74</b>	<b>71</b>	<b>76</b>

# Recommendation of Award to SHI

- Staff recommends award of contract to SHI International Corp
  - Best value solution
  - SHI partners provide strong local support base
    - Nutanix - headquartered in San José
    - Dell EMC - multiple regional offices in Santa Clara and South Bay Area
  - Staff is familiar with Nutanix's technology
- Negotiated agreement will include all hardware, software, licensing, and professional services to complete, support, and maintain the City's IT Infrastructure Refresh Project

# Protest

# Savant Solutions Protest - Local Business Preference

## Municipal Code 4.12.030 - Local business enterprise:

"Local business enterprise" means a business enterprise, including but not limited to a sole proprietorship, partnership, or corporation, which has a legitimate business presence in the County of Santa Clara, California.

Evidence of legitimate business presence in San José shall include:

- A. Having a current San José business tax certificate; and
- B. Having either of the following types of offices operating legally within the County of Santa Clara:
  - 1. The contractor's **principal business office**; or
  - 2. The contractor's **regional, branch or satellite office** with at least one (1) full-time employee located in the County of Santa Clara.

# Savant Solutions Protest - Local Business Preference

## Original Local Business Policy Rational:

- To put companies located in the County of Santa Clara on par with companies located outside of the County to account for the higher cost of doing business in the County, such as for sales tax, rent or property ownership, and wages.
- **Typical Elements:**
  - Associated with the traditional regional, satellite, or branch offices of a commercial nature
  - Open to the public for commercial transaction engagement
  - Advertised on company's website



# Savant Solutions Protest - RFP Background

- Savant Solutions (Sacramento, CA) applied and was originally awarded the local and small business preference which resulted in the first Notice of Intended Award (NOIA) to Savant.
- After first NOIA was issued, the City received an inquiry from SHI about the local business preference granted to Savant.
- In follow-up conversations with staff, Savant confirmed that primary use of location was a residence and that the residence served as a “home office.”
- Second BAFO and new NOIA subsequently issued to SHI.

# Savant Solutions Protest - Protest Timeline

Date	Event
10/4/2018	Savant submits protest on the basis it should have been awarded the local and small business preference, referring to itself as a "home-based business"
10/9/2018	City reviews and issues response denying protest because there was no independently verifiable evidence of a legitimate business presence at the Sunnyvale location (e.g. listing on the company's website as a satellite or branch office, visible signage etc.).
10/11/2018	<p>Savant emails City submitting new information:</p> <ul style="list-style-type: none"><li>• Sunnyvale residence is not an employee's home but belongs to the mother of a former school mate of the business owner</li><li>• Savant pays a monthly fee to utilize a room from which one Savant employee works full time</li><li>• Keeping costs low will enable Savant to open up a satellite office in San Francisco</li></ul>

# Savant Solutions Protest - Protest Timeline

Date	Event
10/12/2018	Staff requests supporting documentation for review
10/21/2018	<p>Savant does not provide documentation to staff but includes it in its appeal letter to Council</p> <ul style="list-style-type: none"><li>• No lease, but has one-year “gentleman’s agreement” with options to renew</li><li>• Provided bank statements for cash withdrawals of varying amounts with non-consistent withdrawals</li><li>• Provided one bank transaction for telecommunication services, but does not specify service location</li></ul>

# Savant Solutions Protest - Interpretation of Local Preference

- Staff has been consistently applying local preference according to original policy rationale.
- Council's decision whether to expand interpretation of the preference
- Changes in the interpretation may have potential implications:
  - RFP finalists should be allowed to resubmit preference based on Council's recommendations
  - Companies may simply rent a room in the County prior to bidding on the City's solicitations or pay rent to employee that works from home
  - Staff is not resourced to check and monitor compliance

# Additional Information

# Savant Solutions Protest - Interpretation of Local Preference

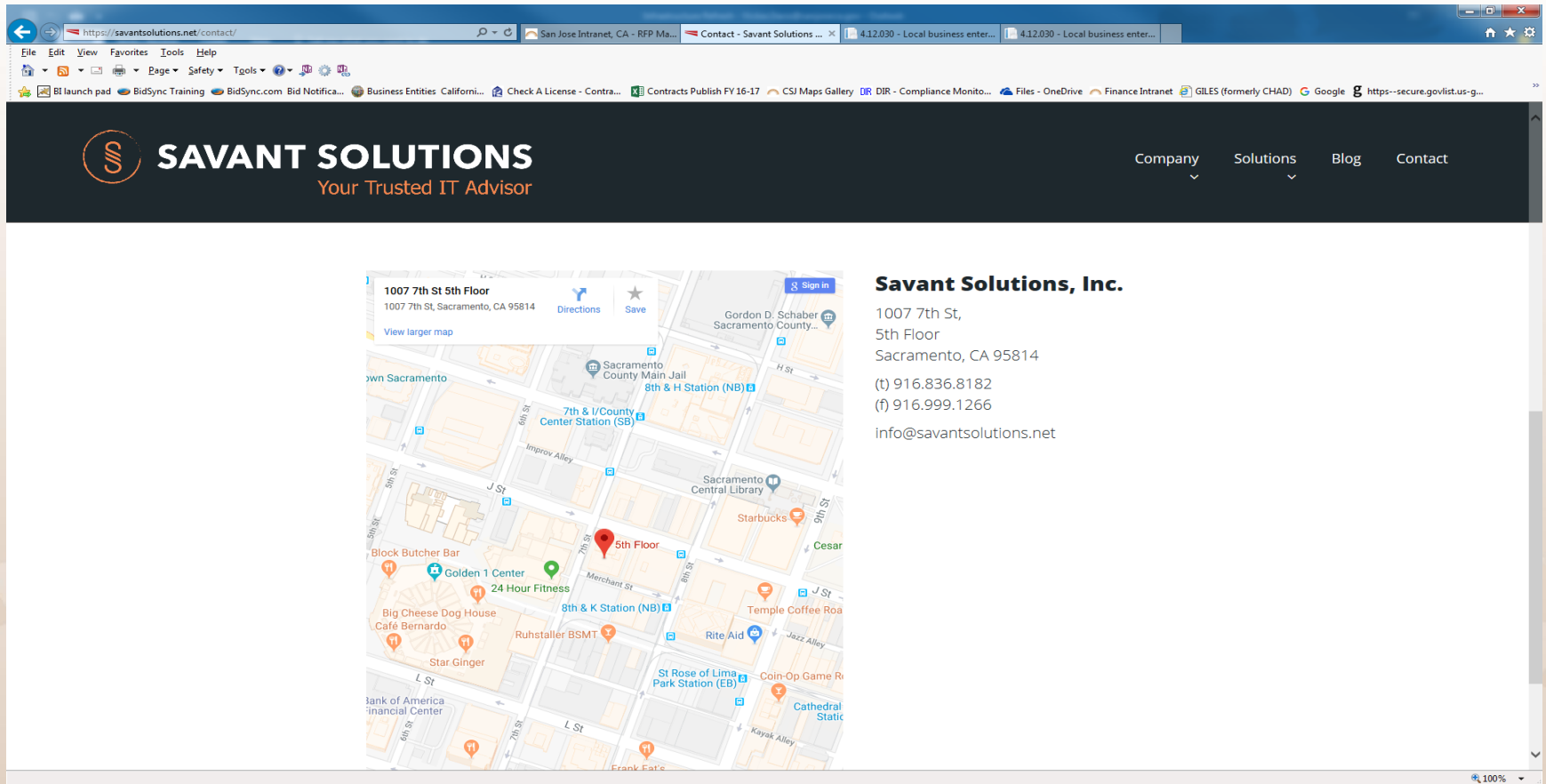
Council's decision whether to expand interpretation of the local preference.

Considerations include:

Types of Businesses:	Additional Factors:
<ol style="list-style-type: none"><li>1. Home-based business, where the business owner operates out of his/her own home</li><li>2. Employee that works from home</li><li>3. Business that rents room in private residence</li><li>4. Business that rents from co-location workspace</li></ol>	<ol style="list-style-type: none"><li>a) Frequency of use</li><li>b) Public signage and noticing</li><li>c) Reportable rental income</li><li>d) Lease agreement</li></ol>

# Savant Solutions Website

As of October 22, 2018



The screenshot shows a web browser window displaying the Savant Solutions website. The address bar shows the URL <https://savantsolutions.net/contact/>. The website header features the Savant Solutions logo, the tagline "Your Trusted IT Advisor", and navigation links for Company, Solutions, Blog, and Contact. The main content area displays a map of Sacramento, CA, with a red pin marking the location of Savant Solutions, Inc. at 1007 7th St, 5th Floor. To the right of the map, the company name and address are listed, along with phone numbers and an email address.

**SAVANT SOLUTIONS**  
Your Trusted IT Advisor

Company Solutions Blog Contact

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# Savant Solutions Website

As of December 14, 2018