City of Carroll

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MEMO TO: Mike Pogge-Weaver, City Manager MPW

FROM: Laura A. Schaefer, Finance Director/City Clerk las

DATE: July 20, 2017

SUBJECT: Waive Purchasing Policy No. 0501 – Purchase of City Hall Server

In the FY 2018 budget, there is $20,000 for the replacement of the City Hall server. The current server is a Dell Server running Microsoft Windows 2008 and Exchange server 2010 and was placed into service in April 2012. The original five-year warranty was extended an additional year. It is strongly recommended that the server be replaced/upgraded this year. I have been working with INCODE (city's financial software company) and the city's IT consultant, Jeff Halbur, Computer and Network Specialties, to determine what type of server is needed.

The current Dell server was efficiently and effectively installed by our financial software provider, INCODE. INCODE is the software that we use to process all the financial records and utility accounts and collections. We have become dependent upon INCODE for our daily operations.

We have in the past worked with INCODE as a turnkey provider of the hardware and software installation to avoid any support issues where one vendor sets up the hardware and another vendor does the software. By working directly with INCODE to replace the server, they can set-up the new server hardware and software to their configuration standards to help avoid hardware and software conflicts that might arise from having different hardware and software vendors doing the installations. This avoids the "it's your hardware problem" or "it's your software problem" between the vendors.

We again asked INCODE for a server quote. Jeff Halbur has reviewed the quote from INCODE to make sure it will meet the needs of the operations of the City for the next five years which is the normal life of a server. Jeff Halbur is a Dell reseller and has checked the pricing of the Dell server quoted from INCODE and has found the INCODE quote to be competitive with his Dell quotes.

The quote from INCODE is for a Dell server running Microsoft Windows 2016 server with 15 CALS (client licenses, and the hardware necessary to efficiently run the above software. The quoted installed estimated cost is $5,925 plus about four billable hours ($600) for the server domain change.

We also priced migrating the Exchange server to "the cloud" instead of purchasing an additional server box for the Exchange server. Migrating the Exchange server to the cloud has been quoted to cost $4,750 plus an annual hosting fee of $715.68 for the current users on the Exchange server. We can add users at any time for an approximate cost of $60/year/user so eventually we can have all city

employees with the same email domain of @cityofcarroll.com. This migration is anticipated to occur August 3, 2017.

It is anticipated that during the migration the use of our financial software will be limited for a day. The replacement target date is September 29, 2017.

The newly revised purchasing policy requires that at least three quotes be solicited for purchases between $5,000 and $10,000. City staff would like work directly with INCODE to purchase and install the new server for the reasons stated above. It is also believed this alternative to be the best option because a less expensive server can be purchased and there would be less administrative burden on city staff to manage the email accounts.

RECOMMENDATION: Council consideration and approval to waive Purchasing Policy No. 0501 to work with INCODE to purchase and install the quoted Dell server at City Hall for the estimated cost of $5,925 plus billable hours for the server domain change.