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**Title:** CONSIDER REJECTION OF BIDS FOR RFP NO. 23-048 - DATA CENTER COLOCATION AND MANAGED SERVICES (CITY COUNCIL)

**Sponsors:**

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**Attachments:** 1. Exhibit No. 1 - Notice of Request for Proposals RFP No. 23-048

Date	Ver.	Action By	Action	Result
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**Report to Mayor and City Council**

Tuesday, January 23, 2024

Consent

**SUBJECT:**

**CONSIDER REJECTION OF BIDS FOR RFP NO. 23-048 - DATA CENTER COLOCATION AND MANAGED SERVICES (CITY COUNCIL)**

**I. SUMMARY**

On December 1, 2023, the Purchasing Division released an RFP (No. 23-048) for Data Center Colocation and Managed Services. The purpose of the Data Center Colocation and Managed Services RFP is to acquire colocation space and related managed services to relocate the City’s network and server equipment into a secure and controlled environment as a component of the City’s IT Disaster Recovery Protocols. The RFP did not stipulate any specific colocation building addresses but limited the geographic scope to City of Los Angeles to solicit bids from multiple colocation buildings. One bid was received from Smart IT Pros, Inc. and opened on December 18, 2023, at the City Clerk’s Office. The bid amount is \$45,040 for a 1-year term.

Only one bid was received, and the amount is significantly higher than the project budget due to excessive Non-Recurring Costs applied to Power. The sole bidder indicated DC Power was available, per the RFP requirements. These excessive Non-Recurring Costs are typically charged when DC Power is not available, and the vendor seeks reimbursement for required renovations to the Colocation space to accommodate DC

power.

Staff is requesting City Council to reject the bid submitted by Smart IT Pros, Inc. and authorize staff to solicit quotes from a limited number of colocation buildings that are identified by staff as viable and of interest to the City's infrastructure plans. This modification is expected to generate competitive bids from multiple vendors operating within the City's short list of colocation buildings. The address of the colocation building Smart IT Pros provided a quote for in their bid, will be included on the short list of colocation buildings. Therefore, Smart IT Pros will have the opportunity to resubmit a competitive quote should the vendor choose.

## **II. RECOMMENDATION**

1. REJECT all bids received in response to RFP No. 23-048.
2. AUTHORIZE staff to solicit quotes from vendors operating within the City's short list of colocation buildings, to receive competitive bid amounts.

## **III. ALTERNATIVES**

1. DO NOT reject the bid.
2. TAKE another action the City Council deems appropriate.

## **IV. BACKGROUND**

The City of Carson seeks to acquire colocation space and related managed services as a component of the City's IT Disaster Recovery Protocols. Establishment of a disaster recovery site is considered an IT best practice and will enable initiation of several critical network and server upgrade projects currently on hold until the disaster recovery site is activated.

The Purchasing Division released an RFP (No. 23-048) for Data Center Colocation and Managed Services on December 1, 2023. The bid opening was held in the City Clerk's Office on December 18, 2023. There was one (1) bid response from Smart IT Pros in the amount of \$45,040 for a one-year term. The sole bidder indicated DC Power was available, per the RFP requirements. However, the Non-Recurring Cost for DC Power was priced at an excessive cost, even higher than the total Annual Cost of the Services. These Non-Recurring Costs are typically charged when DC Power is not available, and the vendor seeks reimbursement for required renovations to the Colocation space to accommodate DC power.

After reviewing the proposal based on the criteria outlined in the RFP and CMC Section 2611, Staff has determined that the proposal result was not ideal for the City and far beyond the allocated budget. Staff is requesting that the City Council reject the bid submitted by Smart IT Pros and re-solicit quotes from vendors operating in a short list of colocation buildings to be established by staff.

**V. FISCAL IMPACT**

None.

**VI. EXHIBITS**

1. Notice of Request for Proposals RFP No. 23-048. (pgs. 4 - 12)

Prepared by: Gary Carter, Director, Information Technology&Security Department