

**2.21 Third Amendment to the Agreement for Information Technology Infrastructure Refresh Project with SHI International Corporation.**

**Recommendation:**

Adopt a resolution authorizing the City Manager or her designee to negotiate and execute the Third Amendment to the Agreement with SHI International Corporation (Somerset, NJ) for Information Technology Infrastructure Refresh Project to:


(a) Retroactively extend the initial term for an additional nine months through September 30, 2024;

(b) Increase the compensation by \$92,561 for a revised maximum compensation of \$3,798,435; and

(c) Exercise up to five one-year options to extend the Agreement for ongoing support, maintenance, and related professional services through September 30, 2029, subject to the appropriation of funds.

CEQA: Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment. (Finance)

### CITY COUNCIL ACTION REQUEST

<b>Department(s):</b> Finance	<b>CEQA:</b> Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.	<b>Coordination:</b> City Attorney's Office, City Manager's Budget Office, and Information Technology Department	<b>Dept. Approval:</b> /s/ Rick Bruneau
<b>Council District(s):</b> Citywide			<b>CMO Approval:</b>  5/22/24

**SUBJECT: THIRD AMENDMENT TO THE AGREEMENT FOR INFORMATION TECHNOLOGY INFRASTRUCTURE REFRESH PROJECT WITH SHI INTERNATIONAL CORPORATION**

#### RECOMMENDATION:

Adopt a resolution authorizing the City Manager or her designee to negotiate and execute the Third Amendment to the Agreement with SHI International Corporation (Somerset, NJ) for Information Technology Infrastructure Refresh Project to: (i) retroactively extend the initial term for an additional nine months through September 30, 2024; (ii) increase the compensation by \$92,561 for a revised maximum compensation of \$3,798,435; and (iii) exercise up to five one-year options to extend the Agreement for ongoing support, maintenance, and related professional services through September 30, 2029, subject to the appropriation of funds.

#### BASIS FOR RECOMMENDATION:

In October 2019<sup>1</sup>, the City entered into an agreement with SHI International Corporation for a City Information Technology Refresh Project with an original term ending December 31, 2023. In August 2022<sup>2</sup>, City Council authorized staff to negotiate and execute the first amendment to the agreement to add hardware, software, licensing, support, and associated professional services necessary to complete disaster recovery and high availability functionality and deploy a hyper-converged infrastructure at the City's Emergency Operations Center to the scope of work. In October 2023<sup>3</sup>, City Council authorized staff to execute the second amendment to add hardware, storage, and related professional services to replace the Police Department's virtual machine cluster for its records management system.

The hyperconverged infrastructure high availability with disaster recovery upgrade project was not completed timely due to missed requirements. However, it was completed in February 2024. Additionally, the implementation project for the hyperconverged infrastructure solution at the City's Emergency Operations Center was delayed because the building construction of the Emergency Operation Center and the adjacent Fire Training Facility were not complete or ready for hardware installation. This delay did not result in any additional project costs, but additional funding of \$92,561 is needed to extend subscription fees past the initial term date of December 31, 2023 to September 30, 2024.

Approval of this recommendation ensures time to complete implementation of the outstanding projects and renew the subscription with SHI International Corporation.

Commission Recommendation/Input: There is no commission recommendation or input associated with this action.

<sup>1</sup> SHI International Corporation Agreement

[https://records.sanjoseca.gov/Pages/Search.aspx?k=ContentType%3AContracts%20ContentType%3AContractsItems%20ContractNumberOWSSSTR%3A665284\\*](https://records.sanjoseca.gov/Pages/Search.aspx?k=ContentType%3AContracts%20ContentType%3AContractsItems%20ContractNumberOWSSSTR%3A665284*)

<sup>2</sup> August 2022 City Council memorandum: <https://sanjose.legistar.com/View.ashx?M=F&ID=11099016&GUID=B2D12957-ED73-41E5-8804-A4565ADE90C3>

<sup>3</sup> October 2023 City Council memorandum: <https://sanjose.legistar.com/View.ashx?M=F&ID=12386585&GUID=F854CD3C-DEF1-4E7F-86E4-EC2CF5ECA02F>

**COST AND FUNDING SOURCE:**

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2023-2024 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
001	0432	Non-Personal/ Equipment	\$14,492,141	\$92,561	667	10/17/2023, 30966

**FOR QUESTIONS CONTACT:** For program-related questions, please contact Albie Udom, Deputy Director of Finance – Purchasing and Risk Management, at [albie.udom@sanjoseca.gov](mailto:albie.udom@sanjoseca.gov). For program-related questions, please contact Ed Kim, Deputy Director, Deputy Chief Information Officer – Information Technology, at [ed.kim@sanjoseca.gov](mailto:ed.kim@sanjoseca.gov).