



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 12/15/2015

Agenda Placement: 6P

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Jon Gjestvang - Chief Information Officer
Information Technology Services
REPORT BY: Wendi Agans, Staff Services Analyst I - (707) 253-6133
SUBJECT: Approval of Lease Agreement with Dell Financial Services

RECOMMENDATION

Chief Information Officer requests approval of and authorization for the Chair to sign a Lease Purchase Agreement with Dell Financial Services L.L.C. for a maximum of \$102,065 for the term December 15, 2015 through December 14, 2017 (24 months).

EXECUTIVE SUMMARY

The majority of Napa County's electronic data is stored on Dell Compellent storage area networks (SANs). Data space usage on the Compellents has grown from 20 terabytes (TB) to 74TB in three years; a compound annual growth rate of 54% and the equivalent of 11,489 DVDs. With the accelerated increase resulting from more electronic document storage initiatives that will be occurring this fiscal year, we anticipate an increase in the steepness of the storage growth curve. As such, additional space is required in order to meet demands for data storage, disaster recovery and business continuity capabilities. The lease of additional storage capacity will meet demands for growth this year and next year.

Dell Financial Services L.L.C. is not a local vendor.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	ITS' annual budget typically includes around \$200,000 for storage expansion each year. ITS staff sought an opportunity to lease two Compellent storage

devices at a low financing cost of 4.37% at a flat monthly rate for a 24 months term, totaling \$102,064.61 including applicable sales tax.

Is it Mandatory or Discretionary? Discretionary

Discretionary Justification: In order to meet the increased demand of data storage, ITS needs a solution to expand its data storage space. Staff believes that the lease of the Compellent storage servers is a more economical option and allows the County to better control its costs in this area while meeting the demand.

Is the general fund affected? No

Future fiscal impact: Annual lease cost will be included in the ITS budget each year.

Consequences if not approved: ITS will need to purchase the storage servers instead at a greater cost.

Additional Information:

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Napa County stores voluminous amounts of data that is made up of application data, departmental data files and media-rich files in Compellent storage area networks (SANs). Currently this data totals 74 terabytes, the equivalent of 15,744 DVDs. The SANs were leased in 2012. ITS selected Compellent SANs because of their robust architecture and scalability. With the accelerated increase expectations resulting from more electronic document and workflow initiatives that are planned for this fiscal year, we anticipate an increase in the steepness of the storage growth curve.

In order to meet this demand, ITS sought out another lease opportunity for the Compellent storage devices offered at a 4.37% interest rate for the term of 24 months. The total cost over 2 years will be \$102,064.61 including applicable tax. In addition, at the end of the 24 months term of the lease, the County will own the equipment (with a \$1.00 buyout to Dell). The benefit of leasing instead of buying is it minimizes spikes in capital costs and sets up an incremental monthly cost that has on-going maintenance and support embedded into the lease.

Dell Financial Services, L.L.C. is not a local vendor. The Compellent Storage System is an enterprise Storage Area Network (SANs) that is unavailable locally.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Molly Rattigan