

**Subject: FW: MSI Hardware Maintenance Contract**

**Date:** Thursday, October 13, 2005 9:50 AM

**From:** Joel D. Pedersen <jpederse@netinfo.ci.lincoln.ne.us>

**Conversation:** MSI Hardware Maintenance Contract

From: <ROber@ci.lincoln.ne.us>

Date: Wed, 28 Sep 2005 09:09:41 -0500

To: <JPedersen@ci.lincoln.ne.us>

Cc: <DThomas@lincoln.ne.gov>

Conversation: MSI Hardware Maintenance Contract

Subject: Re: Fw: MSI Hardware Maintenance Contract

Hi Joel

Doug is at a conference this week and he asked me to respond to the questions you had.

For your question on -

I did locate this material. Sorry for the delay. What I have is not ready for signature and appears to be a copy of the bid package information etc.

Some things I noticed -- in Item 3 "Standard software prices apply after the 36-months waiver period." -- I am simply unfamiliar with this terminology and assume it means a standard pricing agreement underlies this one?? If so what is it.

"This offering is limited to MP3000 processors installed prior to December 31, 2003."

"ESL priced software does not qualify for this play." Should be Plan? "The x890 Capacity setting 110 is not eligible for this play." Again Plan?

Response - The 36-month waiver period was an offering by IBM during the 1st quarter of 2005 to significantly cut IBM software costs for that period (the first 36 months). And after that it is a reduced amount to what we are/were paying on the old Multiprise 3000 (that is what the MP3000 is in the above paragraph). The 36-month waiver, really meaning 'reduced system software charges' to me, is the reason we decided to obtain the new z/890 processor. The waiver almost covers the cost of the new processor over the 36 month waiver period thru the reduced software costs.

For the question on the ESL priced software - we don't qualify currently for an ESL, which stands for Entry Server License agreement. That is really meant for small companies that are just 'entering' the computing world of enterprise level servers. For example, Entry Servers are usually in the 6 to 15 MIP (millions instructions per second) range, we currently are at 46 MIP's.

On the x890 capacity setting question - this doesn't pertain to us at this point, as I stated above we are at 46 MIP's currently which is capacity setting level 120 on our x890 machine. The capacity setting 110 is the next one down from us currently and is 23 MIP's. We have too much work going on currently and for the next few years on this machine to go to the 23 MIP level and have the throughput we need. We do recognize that we can move to that reduced level without changing hardware, and is one of the reasons that we purchased this machine also, it gives us the capability to go up or down in MIP rating without physically changing hardware. Of course, as always, there is a fee from IBM to do it.

For your question on -

Also "Customers with a current ELA are not eligible for this offer."

Rather an odd way to do things, but do we have a current ELA and meet these other restrictions?

Response -

We do not currently have an ELA (Enterprise License Agreement). IBM has many different levels and options for their 'agreements' and I'm not familiar with the exact details of qualifying for this certain option. Since we don't have one this particular part of the purchase agreement is not in effect.

=====  
Joel this purchase agreement is really three parts 1. the hardware acquisition 2. the software 3. the prepaid maintenance.

The hardware is here and actually went production on July 30th, and the software waiver reduced invoices have come and are correct after the initial one we received was not correct.

The last piece is the pre-paid hardware maintenance. Their proposal is for 3 year prepaid at \$32,111 for the processor, and \$1,440 for the 2 Optica channel converters. The processor maint cost of \$32,111 is actually a 5% reduction of what they put in the bid response. We would like to take advantage of that as it represents a 3 year savings of \$5,833.

Please call me (1-7598) if you have any questions on any of the hardware technical stuff or anything else. Trish has also sent me an e-mail on getting information for the fact sheet and resolution. I will proceed with that unless I hear differently from you. Thanks again for your time and effort on this and let me know if I can provide an other info.

05R-249

www.msiinet.com  
14301 First National Parkway  
Suite 400  
Omaha, NE 68154  
(402) 965-2300  
(800) 640-4674  
Fax: (402) 965-2412

PO Box 30127  
Omaha, NE 68103-1127

(402) 965-2300 - Billing Inquires

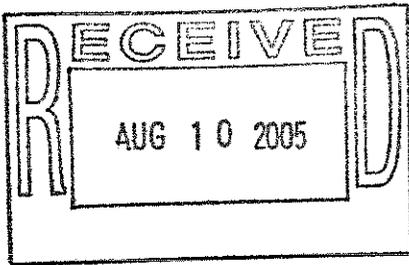
**Invoice Number** INV000013116  
**Invoice Date** 07/29/2005  
**Payment Due Date** 08/28/2005  
Shipment Method BEST WAY  
Payment Terms NET 30  
PO Number RFP AWARD  
Originating Document Number ORD000013808



City of Lincoln  
233 South 10th Street  
2nd Floor  
Lincoln, NE 68508

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233 South 10th Street  
2nd Floor  
Lincoln, NE 68508

Item Number	Description	Qty	Unit Price	Ext Price
IBM MAINT-S390	36-MO MAINTENANCE ON 2086-A04	1 \$	32,111.00 \$	32,111.00
OPTICA MAINT	7 X 24 MAINTENANCE ON OPTICA 34600	1 \$	1,440.00 \$	1,440.00



	\$	33,551.00
	\$	0.00
	\$	0.00
	\$	0.00
	\$	0.00
	\$	33,551.00

15% Restock fee will be applied all unopened product returns ; no return is allowed on opened items.

Miscellaneous expenses are not included in purchase total (ie. taxes, shipping charges, travel expenses.)

Shipping and handling fee includes standard shipping charges. If order has been requested to be shipped expedite, additional fees may apply.

IBM MAINTENANCE CONTRACTS: Additional charges incurred by MSI for features installed on contracted equipment that may not be reflected on this Invoice will be invoiced to the customer. All IBM maintenance contracts will be automatically renewed unless the client specifically declines.

05-079 IBMz/890 Enterprise Server and IBM Enterprise Storage Server Unit April 6, 2005

COMPANY NAME:		Baer Consulting, Inc.		KCI Inc		MSI Systems Integrators	
REPRESENTATIVE:		Duane C. Bauer		Jeffrey Klein		Jerry W Woodward	
ADDRESS:		28154 Meadow Tr.		19 Industrial Ave		14301 First National Parkway Ste 4	
CITY, STATE, ZIP:		Comifer, CO 80433		Mahwah, NJ 07430		Omaha, NE 68154	
TELEPHONE NO.:		303-838-3374		201-934-6500 X11		402-965-2300	
Item	Qty.	Description	Unit Cost	Total Cost	Unit Cost	Total Cost	Total Cost
1		IBM 2086-A04 z/890 Processor at Capacity setting 120 Inc:					\$206,839.00
	8	Escon Channels		\$154,962.50			
	2	Parallel Channel Converters				\$3,500.00	\$7,000.00
	4	Ficon Channels (2 cards/2 ports per card)					
	4	OSA-E 1000 BaseT Ports					
		Onsite system assurance review, cabling services, and implementation assistance					\$5,000.00
		TOTAL 2086-A04 z/890		\$154,962.50			\$218,839.00
		ALTERNATE 2066 - OEI z/800					
2		IBM 2105-800 TH. Storage Enterprise Storage Server Inc:					\$21,600.00
	4	Disk Eight-Pack 72.8 GB, 10K rpm		\$102,097.00		\$160,976.00	\$22,752.00
	1	IBM Total Storage ESS Master Console				inc.	\$600.00
	2	2GB Fiber Channel/FICON (Long Wave) Host Adp				inc.	\$3,240.00
	2	2GB Fiber Channel/FICON (Short Wave) Host Adp			\$19,450.00	\$38,900.00	\$2,880.00
	2	2026-224 IBM Total Storage Scan24 1M1 Mid-Range Switch				inc	\$9,980.00
	6	Fiber Optical Cable 50u, 30m, LC Male/LC Male				inc	\$330.00
	2	Flex-Port: Additional 8 Port Enablement				inc	\$6,400.00
		TOTAL 2105		\$102,097.00		\$199,876.00	\$67,782.00
		ALTERNATE IBM 2105-F20					
		GRAND TOTAL HARDWARE		\$257,059.50		\$199,876.00	\$286,621.00
3		IBM Software Pricing with z/890 Waiver					\$4,683.00
		Monthly EGO Software Costs		\$647,136.00			\$9,738.00
		Monthly Non/EGO Software Costs					\$14,421.00
		GRAND TOTAL SOFTWARE		\$647,136.00			
		ALTERNATE z/ELC					
4		Equipment To Be Traded-In/removed Total		-\$7,500.00			inc in 2890 price
		BID SUMMARY					
		Grand Total Hardware		\$257,059.50			\$286,621.00
		Grand Total Software		\$647,136.00			\$14,421.00
		Less Grand Total Trade-In		-\$7,500.00			\$0.00
		Grand Total Bid		\$896,695.50			\$301,042.00

City of Lincoln  
Request for Proposal 05-079

Response Submitted by  
MSI Systems Integrators, Inc.  
April 6, 2005

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- Section 6: Appendix 3 – Linux on the z890

April 6, 2005

Mr. Tom Kopplin  
Assistant Purchasing Agent  
City of Lincoln  
440 South 8<sup>th</sup> Street  
Lincoln, NE 68508

Dear Mr. Kopplin,

On behalf of MSI Systems Integrators, Inc. we would like to thank you for giving us the opportunity to present our response to the City of Lincoln's Request for Proposal 05-079 for the purchase of an IBM Enterprise Server z890 and a Enterprise Storage Sever 2105-800. We have included our professional installation services for the IBM Enterprise Server z890 and the Enterprise Storage Server 2105-800.

We believe you will find our response to be thorough and competitive. Providing well thought out solutions has been fundamental to MSI Systems Integrators' approach in working with our clients since our founding, ten years ago. Since that time, MSI Systems Integrators has become a Premier IBM Business Partner and is ranked number one in mainframe sales by IBM zSeries resellers in the Midwest, and number three in mainframe sales by IBM zSeries resellers in the United States. MSI has continually been awarded the top Storage Solutions Provider by IBM for the Americas. In March of this year, MSI won the IBM PartnerWorld Distinguished Blue Diamond Beacon Award for being the most outstanding IBM Business Partner in the Americas geography.

MSI has offices in Nebraska, Iowa, Illinois, Missouri, Kansas, Wisconsin, Minnesota and the Pacific Northwest with coverage across the entire Midwestern United States. Our Omaha, Nebraska office has been open since 1994 and has a stellar reputation with MSI's Nebraska clientele.

We would like to thank the City of Lincoln in advance for the time and consideration that will be extended to MSI Systems Integrators in reviewing our response. We look forward to hearing from you and are available to answer any questions you may have. Questions regarding MSI's response to this RFP should be directed to Jerry Woodward (402) 965-2334.

Respectfully submitted,



Jerry W. Woodward  
Client Executive  
MSI Systems Integrators  
14301 First National Pkwy, Suite 400  
Omaha, NE 68154  
(402) 965-2334  
[jwoodward@msiinet.com](mailto:jwoodward@msiinet.com)

## MSI Quick Facts

MSI Systems Integrators enables information technology for business. We architect, build, and support comprehensive information technology and e-business on demand solutions designed specifically for the business-critical requirements of our clients. We use proven technology from industry-leading partners, and we hire the best and brightest consultants and engineers in the industry. We base our business relationships on a partnership model that commits us to our clients' long-term success. Our goal is to provide our clients with e-business on demand, and infrastructure solutions that have a positive impact on profitability and business processes now and far into the future.

### MSI Enterprise Solutions

Enterprise Management  
Enterprise Security  
Business Intelligence  
Business Integration  
Business Continuity  
Content Management  
Output Management  
Infrastructure Simplification

### Office Locations

California	Montana
Dakotas	Nebraska (Headquarters) *
Idaho	Nevada
Illinois	Oregon **
Iowa (2) *	Utah
Kansas *	Washington
Minnesota *	Wisconsin
Missouri **	

\*Technology Enablement Center™

\*\*TEC opening soon

### Key Vendor Partnerships

IBM Premier Hardware Business Partner  
IBM Premier Software Business Partner  
Cisco Silver Business Partner  
McDATA Elite Partner  
Microsoft  
Softtek  
iTera  
The PowerTech Group  
Veritas  
PolyServe  
VMware  
Harris Data  
Vanguard  
Stonesoft  
C2 - Clear Technologies  
Captiva  
Kofax  
Bowstreet  
MQSoftware  
Gauss  
AT&T  
Sprint  
Brocade  
Datacore  
Symantec  
BMC Software  
SuSE  
F5 Networks

### Senior Management

Jim Simpson - President -CEO  
Phil Sauvageau - COO  
Tom Morrison - Chairman

### Current Staff

267 Total Employees  
45% Technical  
40% Sales

Founded 1994

### VARBusiness 500 Rank

2004 - #171	2002 - #189	2000 - #412
2003 - #180	2001 - #290	1999 - #469

### Technical Expertise

zSeries (S/390)	WebSphere
pSeries (RS/6000)	- Portal
iSeries (AS/400)	- Host On Demand
Linux	- Application Server
AIX, PSSP, NT, VM, VSE	- MQ Series
z/OS, OS/400	- Studio
LPAR	Enterprise Content Manager
High Availability (HACMP)	Lotus Notes Domino
Server Consolidation	Storwatch
Performance/Tuning	JSP
Data Warehouse	J2EE, Java, XML, HTML, C++
Security	VA for Java
xSeries (Netfinity)	DB2
Storage Consolidation	EJB
Disaster Recovery	jBuilder
ESS (Shark)	OO Analysis/Design
VTS	Output Management
SAN	Printing Systems
NAS	
McDATA Director	
PACS	
Tivoli Storage Manager	MSI earned more than 10
Tivoli Storage Resource Manager	times the technical points
Networking Security	required for Premier-level
Cisco Networking	IBM Business Partners.
Content Switching	
VPN	
CISSP	

## Contacts & Locations



### Nebraska (Corporate HQ)

14301 First National Parkway  
Suite 400  
Omaha, NE 68154  
Phone: (402) 965.2300  
Fax: (402) 965.2410  
Ted Crouchley  
nebraska@msiinet.com

### Iowa (Cedar Rapids)

7409 Westbury Drive NE  
Cedar Rapids, IA 52402  
Phone: (319) 373.1882  
Fax: (319) 393.1973  
Ken Baker  
iowa@msiinet.com

### Oregon

1211 SW 5<sup>th</sup> Avenue  
Suite 1200  
Portland, OR 97204  
Phone: (503) 943.6900  
Fax: (503) 943.6999  
Brian Pixton  
oregon@msiinet.com

### Wisconsin

1166 Quail Court, Suite 315  
Pewaukee, WI 53072  
Phone: (262) 746.3299  
Fax: (262) 746.3288  
Ron Svehlek  
wisconsin@msiinet.com

### Idaho

404 S 8<sup>th</sup> Street  
Suite 310  
Boise, ID 83702  
Phone: (208) 433.3020 x272  
Mark Smith  
idaho@msiinet.com

### Kansas

10801 Mastin Street  
Suite 850  
Overland Park, KS 66210  
Phone: (913) 322.2020  
Fax: (913) 322.2019  
Dave Eaton  
kansas@msiinet.com

### South Dakota

6720 Snowberry Circle  
Sioux Falls, SD 57106  
Phone: (605) 361.8294  
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Lance Mriden  
southdakota@msiinet.com

### Illinois (Peoria)

220 East Maywood  
Morton, IL 61550  
Phone: (309) 686.6640  
Rod Roth  
illinois@msiinet.com

### Minnesota

7760 France Avenue South  
Suite 1310  
Bloomington, MN 55435  
Phone: (952) 896.6300  
Fax: (952) 896.6399  
Bill Bleckwehl  
minneapolis@msiinet.com

### Utah

134 N Barnes Drive  
Kaysville, UT 84037  
Phone: (801) 444.0649  
Steve Gardner  
utah@msiinet.com

### Iowa (Des Moines)

2600 Westown Parkway  
Suite 210  
Des Moines, IA 50266  
Phone: (515) 246.4100  
Fax: (515) 246.4190  
Ken Baker  
iowa@msiinet.com

### Missouri

Interco Corporate Tower  
101 South Hanley Road  
Suite 575  
St. Louis, MO 63105  
Phone: (314) 726.3630  
Fax: (314) 726.3670  
Steve Grigone  
missouri@msiinet.com

### Washington

1420 Fifth Avenue  
Suite 2213  
Seattle, WA 98101  
Phone: (206) 274.5100  
washington@msiinet.com

**ADDENDUM #1  
TO SPEC. 05-079**

**IBM z/890 ENTERPRISE SERVER AND  
IBM ENTERPRISE STORAGE SERVER UNIT**

Addendum #1 to Specification 05-079 for an IBM z/890 Enterprise Server and IBM Enterprise Storage Server Unit to be opened on Wednesday, April 6, 2005 at 12:00 noon.

**Disregard the specification you originally received for the above-mentioned product. The enclosed specification replaces the previously sent specification.**

**Also note that there is No Bid Bond Required.**

All other terms and conditions to remain unchanged.

Dated this 25th day of March 2005.

Purchasing Department

Tom Kopplin  
Assistant Purchasing Agent

dw

IT IS THE VENDOR'S RESPONSIBILITY TO CHECK  
FOR ADDENDUMS PRIOR TO SUBMITTING PROPOSALS

**NOTICE TO BIDDERS  
SPECIFICATION NO. 05-079**

The City of Lincoln, Nebraska intends to purchase and invites you to submit a sealed bid for:

**IBM z/890 Enterprise Server and  
IBM Enterprise Storage Server Unit  
for  
Information Services Division  
(City of Lincoln)**

Sealed bids will be received by the City of Lincoln, Nebraska on or before 12:00 noon **Wednesday, April 6, 2005** in the office of the Purchasing Agent, Suite 200, K Street Complex, 440 South 8th Street, Lincoln, Nebraska 68508. Bids will be publicly opened and read at the K Street Complex.

Bidders should take caution if U.S. mail or mail delivery services are used for the submission of bids. Mailing should be made in sufficient time for bids to arrive in the Purchasing Division, prior to the time and date specified above.

**PROPOSAL**  
**SPECIFICATION NO. 05-079**  
**BID OPENING TIME: 12:00 NOON**  
**DATE: April 6, 2005**

The undersigned bidder, having full knowledge of the requirements of the City of Lincoln for the below listed items and the contract documents (which include Notice to Bidders, Instructions to Bidders, this Proposal, Specifications, Contract, and any and all addenda) and all other conditions of the Proposal, agrees to sell to the City the below listed items for the performance of this Specification, complete in every respect, in strict accordance with the contract documents at and for unit prices listed below.

**ADDENDA RECEIPT:** The receipt of addenda to the specifications numbers \_\_\_\_ through \_\_\_\_ are hereby acknowledged. Failure of any bidder to receive any addendum or interpretation of the specifications shall not relieve the bidder from obligations specified in the bid request. all addenda shall become part of the final contract document.

<u>ITEM</u>	<u>QTY</u>	<u>ITEM DESCRIPTION</u>	<u>UNIT PRICE</u>	<u>TOTAL PRICE</u>
1.		IBM 2086-A04 z/890 Processor at capacity setting 120, to include the following:		<u>\$ 206,839</u>
	8	Escon Channels	\$ _____	\$ _____
	2	Parallel Channel Converters	\$ <u>3,500</u>	\$ <u>7,000</u>
	4	Ficon Channels (2 cards/2 ports per card)	\$ _____	\$ _____
	4	OSA-E 1000 BaseT Ports	\$ _____	\$ _____
		Onsite system assurance review, cabling services, and implementation assistance.	\$ _____	\$ <u>5,000</u>
		<b>TOTAL 2086-A04 z/890</b>	\$ _____	\$ <u>218,839</u>
2.		IBM 2105-800 TotalStorage Enterprise Storage Server to include the following:	<u>\$ 21,600</u>	<u>\$ 21,600</u>
	4	Disk Eight-Pack 72.8 GB, 10K rpm	\$ <u>5,688</u>	\$ <u>22,752</u>
	1	IBM Total Storage ESS Master Console	\$ <u>600</u>	\$ <u>600</u>
	2	2GB Fiber Channel/FICON (Long Wave) Host Adp	\$ <u>1,620</u>	\$ <u>3,240</u>
	2	2GB Fiber Channel/FICON (Short Wave) Host Adp	\$ <u>1,440</u>	\$ <u>2,880</u>
	2	2026-224 IBM Total Storage Scan24M1 Mid-Range Switch	\$ <u>4,990</u>	\$ <u>9,980</u>
	6	Fiber Optical Cable 50u, 30m, LC Male/LC Male	\$ <u>55</u>	\$ <u>330</u>
	2	Flex-Port: Additional 8-Port Enablement	\$ <u>3,200</u>	\$ <u>6,400</u>
		<b>TOTAL 2105</b>	\$ _____	\$ <u>67,782</u>
		<b>GRAND TOTAL ITEMS 1 &amp; 2</b>	\$ _____	\$ <u>286,621</u>

3.	IBM Software Pricing with z/890 waiver		
	IBM Software List:		
	5694-A01 z/OS 1.4 and components:		
	DFSMS DSS, DFSORT, GDDM-PGF		
	5697-E93 CICS/TS v2		
	5675-DB2 DB2 UDB and QMF v7		
	5655-G53 Enterprise Cobol		
	5655-B17 PSF v3		
	5688-190 PPFA/370	\$ _____	\$ _____
	Monthly EGO software costs	\$ _____	\$ <u>4,683</u>
	Monthly Non/EGO software costs	\$ _____	\$ <u>9,738</u>
	<b>GRAND TOTAL SOFTWARE</b>	\$ _____	\$ <u>14,381</u> 14,421 <sup>00</sup>
4.	Equipment to be traded-in/removed	\$ _____	\$ <u>Included in 2890 price</u>
	Qty 1 IBM 7060-H30 Processor	\$ _____	\$ <u>∅</u>
	Qty 1 IBM 9394-002 Controller w/16 9395-B23 drawers		
	Qty 7 IBM 3174 Controllers		
	<b>GRAND TOTAL TRADE-IN</b>	\$ _____	\$ <u>∅</u>

**BID SUMMARY:**

<b>GRAND TOTAL HARDWARE ITEMS 1 &amp; 2</b>	\$ _____	\$ <u>286,621</u> (Includes Cont
<b>GRAND TOTAL SOFTWARE</b>	\$ _____	\$ <u>14,381</u> Svcs) 14,421 <sup>00</sup>
<b>LESS: GRAND TOTAL TRADE-IN</b>	\$ _____	\$ <u>∅</u>
<b>GRAND TOTAL BID:</b>	\$ _____	\$ <u>301,002</u> 301,042 <sup>00</sup>

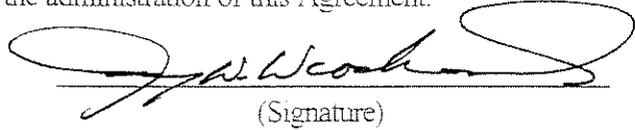
**NO BID SECURITY REQUIRED**

**ADDITIONAL BID REQUIREMENTS:**

1. Bid responses should include all IBM software pricing options available for software maintenance.
2. Bid to include 36 month pre-paid Hardware Maintenance.
3. Bid to include IBM installation costs.
4. Bid to include Shipping costs.
5. Successful bidder will be responsible for removal of current Multiprise and peripheral units after production implementation of z/890 and ESS is complete. Production implementation target date, July 30, 2005. Removal of old system shall be by October 1, 2005.

COMPANY REPRESENTATIVE responsible for the administration of this Agreement:

Name: Jerry W. Woodward  
(Please print or type Name)

  
(Signature)

Title: Client Executive

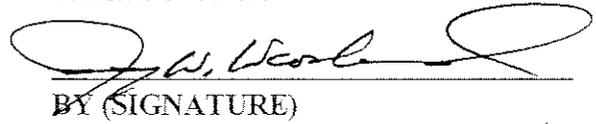
Phone No.: 402-965-2334

AFFIRMATIVE ACTION PROGRAM: Successful bidder will be required to comply with the provisions of the City's Affirmative Action Policy (Contract Compliance, Sec. 1.16). The Equal Opportunity Officer will determine compliance or non-compliance with the City's policy upon a complete and substantial review of successful bidder's equal opportunity policies, procedures and practices.

The undersigned signatory for the bidder represents and warrants that he has full and complete authority to submit this proposal to the City, and to enter into a contract if this proposal is accepted.

**RETURN 2 COMPLETE COPIES OF PROPOSAL AND SUPPORTING MATERIAL. MARK OUTSIDE OF BID ENVELOPE: SEALED BID FOR SPEC. 05-079**

MSI Systems Integrators  
COMPANY NAME

  
BY (SIGNATURE)

14301 First National Parkway Suite 400  
STREET ADDRESS OR PO BOX

Jerry W. Woodward  
(PRINT NAME)

Omaha NE 68154  
CITY, STATE ZIP CODE

Client Executive  
(TITLE)

402-965-2300  
TELEPHONE

4/6/05  
(DATE)

47-0781837  
EMPLOYER'S FEDERAL I.D. NO  
OR SOCIAL SECURITY NUMBER

10 working days  
ESTIMATED DELIVERY DAYS

Net 30 or IGF Lease  
TERMS OF PAYMENT

BIDS MAY BE INSPECTED IN THE PURCHASING DIVISION OFFICES DURING NORMAL BUSINESS HOURS, AFTER TABULATION BY THE PURCHASING AGENT. IF YOU DESIRE A COPY OF THE BID TABULATION TO BE MAILED TO YOU, YOU MUST ENCLOSE A SELF-ADDRESSED STAMPED ENVELOPE WITH YOUR BIDDING DOCUMENTS.

# INSTRUCTIONS TO BIDDERS

## CITY OF LINCOLN, NEBRASKA PURCHASING DIVISION

### 1. BIDDING PROCEDURE

- 1.1 Bidder shall submit two (2) complete sets of the bid documents and all supporting material. All appropriate blanks shall be completed. Any interlineation, alteration or erasure on the specification document shall be initialed by the signer of the bid. Bidder shall not change the proposal form nor make additional stipulations on the specification document. Any amplified or qualifying information shall be on the bidder's letterhead and firmly attached to the specification document.
- 1.2 Bid prices shall be submitted on the Proposal Form included in the bid document.
- 1.3 Bidders may submit a bid on an "all or none" or "lump sum" basis, but should also submit a quotation on an item-by-item basis. Bidding documents shall be clearly marked indicating the kind of proposal being submitted.
- 1.4 Each bid must be legibly printed in ink or by typewriter, include the full name, business address, and telephone number of the bidder, and be signed in ink by the bidder.
- 1.5 A bid by a firm or organization other than a corporation must include the name and address of each member.
- 1.6 A bid by a corporation must be signed in the name of such corporation by a duly authorized official thereof.
- 1.7 Any person signing a bid for a firm, corporation, or other organization must show evidence of his authority so to bind such firm, corporation, or organization.
- 1.8 Bids received after the time and date established for receiving bids will be rejected.

### 2. BIDDER'S SECURITY

- 2.1 Bid security, as a guarantee of good faith, in the form of a certified check, cashier's check, or bidder's bond, may be required to be submitted with this bid document, as indicated of the Proposal Form.
- 2.2 If alternate bids are submitted, only one bid security will be required, provided the bid security is based on the amount of the highest gross bid.
- 2.3 Such bid security will be returned to the unsuccessful bidders when the award of bid is made.
- 2.4 Bid security will be returned to the successful bidder(s) as follows:
  - 2.4.1 For single order bids with specified quantities: upon the delivery of all equipment or merchandise, and upon final acceptance by the City.
  - 2.4.2 For all other contracts: upon approval by the City of the executed contract and bonds.
- 2.5 City shall have the right to retain the bid security of bidders to whom an award is being considered until either:
  - 2.5.1 A contract has been executed and bonds have been furnished.
  - 2.5.2 The specified time has elapsed so that the bids may be withdrawn.
  - 2.5.3 All bids have been rejected.

- 2.6 Bid security will be forfeited to the City as full liquidated damages, but not as a penalty, for any of the following reasons, as pertains to this specification document:

- 2.6.1 If the bidder fails to deliver the equipment or merchandise in full compliance with the accepted proposal and specifications.
- 2.6.2 If the bidder fails or refuses to enter into a contract on forms provided by the City, and/or if the bidder fails to provide sufficient bonds or insurance within the time period as established in this specification document.

### 3. EQUAL OPPORTUNITY

- 3.1 Each bidder agrees that it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, ancestry, disability, age, or marital status. Bidder shall fully comply with the provisions of Chapter 11.08 of the Lincoln Municipal Code.
- 3.2 Successful bidder will be required to comply with the provisions of the City's Affirmative Action Policy (Contract Compliance, Sec. 1.16).
- 3.3 The Equal Opportunity Officer will determine compliance or non-compliance with the City's Affirmative Action Policy upon a complete and substantial review of successful bidder's equal opportunity policies, procedures and practices.

### 4. DATA PRIVACY

- 4.1 Bidder agrees to abide by all applicable State and Federal laws and regulations concerning the handling and disclosure of private and confidential information concerning individuals and corporations as to inventions, copyrights, patents and patent rights.
- 4.2 The bidder agrees to hold the City harmless from any claims resulting from the bidder's unlawful disclosure or use of private or confidential information.

### 5. BIDDER'S REPRESENTATION

- 5.1 Each bidder by signing and submitting a bid, represents that the bidder has read and understands the specification documents, and the bid has been made in accordance therewith.
- 5.2 Each bidder for services further represents that the bidder is familiar with the local conditions under which the work is to be done and has correlated the observations with the requirements of the bid documents.

### 6. INDEPENDENT PRICE DETERMINATION

- 6.1 By signing and submitting this bid, the bidder certifies that the prices in this bid have been arrived at independently, without consultation, communication or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other bidder or with any competitor; unless otherwise required by law, the prices which have been quoted in this bid have not been knowingly disclosed by the bidder prior to bid opening directly or indirectly to any other bidder or to any competitor; no attempt has

been made, or will be made, by the bidder to induce any person or firm to submit, or not to submit, a bid for the purpose of restricting competition.

#### 7. CLARIFICATION OF SPECIFICATION DOCUMENTS

- 7.1 Bidders shall promptly notify the Purchasing Agent of any ambiguity, inconsistency or error which they may discover upon examination of the specification documents.
- 7.2 Bidders desiring clarification or interpretation of the specification documents shall make a written request which must reach the Purchasing Agent at least seven (7) calendar days prior to the date and time for receipt of bids.
- 7.3 Interpretations, corrections and changes made to the specification documents will be made by written addenda.
- 7.4 Oral interpretations or changes to the Specification Documents made in any other manner, will not be binding on the City; and bidders shall not rely upon such interpretations or changes.

#### 8. ADDENDA

- 8.1 Addenda are written instruments issued by the City prior to the date for receipt of bids which modify or interpret the specification document by addition, deletion, clarification or correction.
- 8.2 Addenda will be mailed or delivered to all who are known by the City to have received a complete set of specification documents.
- 8.3 Copies of addenda will be made available for inspection at the office of the Purchasing Agent.
- 8.4 No addendum will be issued later than forty-eight (48) hours prior to the date and time for receipt of bids, except an addendum withdrawing the invitation to bid, or an addendum which includes postponement of the bid.
- 8.5 Bidders shall ascertain prior to submitting their bid that they have received all addenda issued, and they shall acknowledge receipt of addenda on the proposal form.

#### 9. ANTI-LOBBYING PROVISION

- 9.1 During the period between the bid close date and the contract award, bidders, including their agents and representatives, shall not directly discuss or promote their bid with any member of the City Council or City Staff except in the course of City-sponsored inquiries, briefings, interviews, or presentations, unless requested by the City.

#### 10. BRAND NAMES

- 10.1 Wherever in the specifications or proposal form brand names, manufacturer, trade name, or catalog numbers are specified, it is for the purpose of establishing a grade or quality of material only; and the term "or equal" is deemed to follow.
- 10.2 It is the bidder's responsibility to identify any alternate items offered in the bid, and prove to the satisfaction of the City that said item is equal to, or better than, the product specified.
- 10.3 Bids for alternate items shall be stated in the appropriate brand on the proposal form, or if the proposal form does not contain blanks for alternates, bidder MUST attach to the specification documents on Company letterhead a statement identifying the manufacturer and brand name of each proposed alternate, plus a complete description of the alternate items including illustrations,

performance test data and any other information necessary for an evaluation. The bidder must indicate any variances by item number from the specification document no matter how slight. Bidder must fully explain the variances from the specification document, since brochure information may not be sufficient.

- 10.4 If variations are not stated in the proposal, it will be assumed that the item being bid fully complies with the City's specifications.

#### 11. DEMONSTRATIONS/SAMPLES

- 11.1 Bidders shall demonstrate the exact item(s) proposed within seven (7) calendar days from receipt of such request from the City.
- 11.2 Such demonstration can be at the City delivery location or a surrounding community.
- 11.3 If bidder does not have an item in the area, it will be at the bidder's expense to send appropriate City personnel to the nearest location to view and inspect proposed item(s).
- 11.4 If items are small and malleable, and the bidder is proposing an alternate product, the bidder MUST supply a sample of the exact item. Samples will be returned at bidder's expense after receipt by the City of acceptable goods. Bidders must indicate how samples are to be returned.

#### 12. DELIVERY

- 12.1 Each bidder shall state on his proposal form the date upon which he can make delivery of all equipment or merchandise. Time required for delivery is hereby made an essential element of the bid.
- 12.2 The City reserves the right to cancel orders, or any part thereof, without obligation, if delivery is not made within the time(s) specified on the proposal form.
- 12.3 All bids shall be based upon inside delivery of the equipment or merchandise F.O.B. the City at the location specified by the City, with all transportation charges paid.

#### 13. WARRANTIES, GUARANTEES AND MAINTENANCE

- 13.1 Copies of the following documents must accompany the bid proposal for all items being bid:
  - 13.1.1 Manufacturer's warranties and/or guarantees.
  - 13.1.2 Bidder's maintenance policies and associated costs.
- 13.2 As a minimum requirement of the City, the bidder will guarantee in writing that any defective components discovered within a one (1) year period after the date of acceptance shall be replaced at no expense to the City. Replacement parts of defective components shall be shipped at no cost to the City. Shipping costs for defective parts required to be returned to the bidder shall be paid by the bidder.
- 13.3 Bidder Warrants and represents to the City that all software/firmware/ hardware/equipment /systems developed, distributed, installed or programmed by Bidder pursuant to this Specification and Agreement.
  - 13.3.1 That all date recognition and processing by the software/firmware/hardware/equipment/system will include the four-digit-year format and will correctly recognize and process the date of February 29, and any related data, during Leap years; and
  - 13.3.2 That all date sorting by the software /firmware/hardware/ equipment/system that includes a "year category" shall be

done based on the four-digit-year format. Upon being notified in writing by the City of the failure of any software/ firmware/ hardware /equipment /systems to comply with this Specification and Agreement, Contractor will, within 60 days and at no cost to the City, replace or correct the non-complying software/ firmware/ hardware/ equipment/ systems with software/firmware/ hardware/equipment/ systems that does comply with this Specification and Agreement.

13.3.3 No Disclaimers: The warranties and representations set forth in this section 13.3 shall not be subject to any disclaimer or exclusion of warranties or to any limitations of Licensor's liability under this Specification and Agreement.

#### 14. ACCEPTANCE OF MATERIAL

- 14.1 All components used in the manufacture or construction of materials, supplies and equipment, and all finished materials, shall be new, the latest make/model, of the best quality, and the highest grade workmanship.
- 14.2 Material delivered under this proposal shall remain the property of the bidder until:
- 14.2.1 A physical inspection and actual usage of this material is made and found to be acceptable to the City; and
- 14.2.2 Material is determined to be in full compliance with the specifications and accepted proposal.
- 14.3 In the event the delivered material is found to be defective or does not conform to the specification documents and accepted proposal, then the City reserves the right to cancel the order upon written notice to the bidder and return materials to the bidder at bidder's expense.
- 14.4 Successful bidder shall be required to furnish title to the material, free and clear of all liens and encumbrances, issued in the name of the City of Lincoln, Nebraska, as required by the specification documents or purchase orders.
- 14.5 Selling dealer's advertising decals, stickers or other signs shall not be affixed to equipment. Vehicle mud flaps shall be installed blank side out with no advertisements. Manufacturer's standard production forgings, stampings, nameplates and logos are acceptable.

#### 15. BID EVALUATION AND AWARD

- 15.1 The signed bid proposal shall be considered an offer on the part of the bidder. Such offer shall be deemed accepted upon issuance by the City of purchase orders, contract award notifications, or other contract documents appropriate to the work.
- 15.2 No bid shall be modified or withdrawn for a period of ninety (90) calendar days after the time and date established for receiving bids, and each bidder so agrees in submitting the bid.
- 15.3 In case of a discrepancy between the unit prices and their extensions, the unit prices shall govern.
- 15.4 The bid will be awarded to the lowest responsive, responsible bidder whose proposal will be most advantageous to the City,

and as the City deems will best serve their requirements.

- 15.5 The City reserves the right to accept or reject any or all bids; to request rebids; to award bids item-by-item, by groups, or "lump sum"; to waive irregularities and technicalities in bids; such as shall best serve the requirements and interests of the City.

#### 16. INDEMNIFICATION

- 16.1 The bidder shall indemnify and hold harmless the City, its members, its officers and employees from and against all claims, damages, losses, and expenses, including, but not limited to attorney's fees arising out of or resulting from the performance of the contract, provided that any such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property other than goods, materials and equipment furnished under this contract; including the loss or use resulting therefrom; is caused in whole or part by any negligent act or omission of the bidder, any subcontractor, or anyone directly or indirectly employed by any one of them or anyone for whose acts made by any of them may be liable, regardless of whether or not it is caused by a party indemnified hereunder.
- 16.2 In any and all claims against the City or any of its members, officers or employees by an employee of the bidder, any subcontractor, anyone directly or indirectly employed by any of them or by anyone for whose acts made by any of them may be liable, the indemnification obligation under paragraph 16.1 shall not be limited in any way by any limitation of the amount or type of damages, compensation or benefits payable by or for the bidder or any subcontractor under worker's or workmen's compensation acts, disability benefit acts or other employee benefit acts.

#### 17. TERMS OF PAYMENT

- 17.1 Unless other specification provisions state otherwise, payment in full will be made by the City within thirty (30) calendar days after all labor has been performed and all equipment or other merchandise has been delivered, and all such labor and equipment and other materials have met all contract specifications.

#### 18. LAWS

- 18.1 The Laws of the State of Nebraska shall govern the rights, obligations, and remedies of the Parties under this proposal and any agreement reached as a result of this process.

#### 19. AFFIRMATIVE ACTION

- 19.1 The City of Lincoln-Lancaster County Purchasing Division provides equal opportunity for all bidders and encourages minority businesses and women's business enterprises to participate in our bidding process.

#### 20. LIVING WAGE

- 20.1 The bidders agree to pay all employees employed in the performance of this contract, a base wage of not less than the City Living Wage per section 2.81.010 of the Lincoln Municipal Code. This wage is subject to change up or down every July.

CITY OF LINCOLN RFP

**ITEM 1 – IBM 2086-A04 z/890 Processor at Capacity Setting 120 to include:**

- 8 GB Memory (standard)
- 8 Escon Channels
- 4 Ficon Channels (2 cards/2 ports per card)
- 4 OSA-E 1000BaseT Ports

The z/890 must be configured as a **total system** with all features (chargeable and non-chargeable). It is not possible to separately cost out each of the chargeable features. To meet the specifications detailed in the City of Lincoln's RFP, an operable system configuration would be as follows:

- (1) 2086-A04 zSeries 890
- 0079 HMC Dual Ethernet
- 0087 SE-Dual Ethernet
- 0089 SE-Ethernet Switch (former HUB)
- (22)0112 I/O Cage Airflow Cards
- 0153 CEC
- 0225 STI AFB-C ½ Airflow
- 0322 eSTI-M Cards
- 1109 Model A04
- 1366 OSA-Express 1000Base-T Ethernet Cards (4 ports)
- (1) 2008 8GB Memory Card
- 2319 Ficon Express LX Cards (4 ports)
- (2) 2323 16-Port Escon Cards
- 2324 Escon Channel Port Cards (8 ports)
- (1) 3102 8GB LICCC Enablement Memory
- 3863 CPACF DES/TDES Enablement
- (1) 6094 17" Flat Panel Display
- 6120 Capacity Setting 120
- (1) 6122 120 capacity Marker
- (1) 8987 14' Line Cord US/Canada/Japan 250v 3 Phase
- Ficon RPQ 8P2295
- 9965 Site Tool Kit

The cost of the "system" configured as specified above will be \$206,839. Therefore, the Item 1 totals would be as follows:

	QTY	UNIT PRICE	TOTAL PRICE
<b>TOTAL 2086-A04 z/890</b>	1	\$206,839	\$206,839

In addition to the z890 processor, MSI is proposing (2) Optica 34600 FXBT ESCON Converters to allow the City of Lincoln to support parallel channel attached devices on two of the z890 Escon channels (see appendix for product brochure and additional detail). The cost of these converters is \$3,500 each, or \$7,000 in total.

The cost of z890 **includes** MSI Base Installation Services required to insure a successful and smooth installation of the proposed z890. These services are described in the Statement of Work as part of the MSI Transaction Document for Services F0405-0500760 included in the Appendix section of this document.

Fiber Cabling Services are charged separately at \$5,000. These services are also described in the Statement of Work as part of the MSI Transaction Document for Services F0405-0500760 in the appendix section of this response.

While the proposed does not include an IFL for Linux, please refer to Appendix 3 for potential options on the addition of an IFL.

## **ITEM 2 – IBM 2105-800 Enterprise Storage Server with 2026-224 SAN Switch.**

### **IBM 2105-800 Configuration**

2105-800 TotalStorage Enterprise Storage Server

- (1) 2124 Disk Eight-Pack 72.8 GB, 10K rpm
- (4) 2717 IBM TotalStorage ESS Master Console
- (1) 2924 US English - Operator Panel
- (2) 3024 2Gb Fiber Channel/FICON (Long Wave) Host adapter
- (2) 3025 2Gb Fiber Channel/FICON (Short Wave) Host
- (1) 3604 Standard Processor
- (1) 4012 8 GB Cache (Base Machine)
- (1) 9004 Disk Eight-Pack Count=4
- (1) 9061 1.51 to 3.00 TB Capacity
- (2) 9102 Disk Eight-Pack Mounting Kit
- (1) 9152 Disk Eight-Pack Mounting Kit Count=2
- (1) 9301 Modem Country Group M01
- (1) 9600 Flexible Capacity Option
- (2) 9752 9 micron Fibre Cable (31m, LC connectors)
- (2) 9762 50 micron Fibre Cable (31m, LC connectors)
- (1) 9854 Three Phase 50/60 Hz, 60 Amp
- (1) 9870 Nominal AC voltage: 200V - 240V
- (1) 9909 FICON Attachment

**The net cost of the 2105-800 configuration is \$51,072. This includes 36 month 24x7 warranty.**

- (2) 2026-224 IBM TotalStorage SAN24M1 Mid-Range Switch
- (6) Fiber Optical Cable 50u, 30m, LC male/LC
- (2) 4508 SAN24M1 Flex-Port: Additional 8-Port Enablement
- (2) 9236 Inst SAN24M1 in Cab (Field)

**The net cost of the 2026-224 configuration is \$16,710. This includes three year 24x7 warranty.**

The pricing above includes MSI Implementation Services at no additional cost. The MSI services will include the 2105-800 and 2026-224 implementation. This includes hands-on training of the City of Lincoln staff. The value of this service is \$12,000 which is the

standard cost MSI charges customers for a similar hardware implementation. These services are described in the Statement of Work as part of the MSI Transaction Document for Services F0405-0500794 included in the Appendix section of this document.

MSI is also capable of doing **non-disruptive data migration** from your existing mainframe disk to the new 2105-800 disk. MSI uses a software tool called TDMF to perform this data migration. **This is priced as an optional service at a cost of \$6,000.** This service is described in the Statement of Work as part of the MSI Transaction Document for Services F0405-0500794 included in the Appendix section of this document.

### ITEM 3 – IBM Software Pricing With z890 Waiver

MSI's proposal includes a special bid from IBM that will allow the City of Lincoln to receive a 20% waiver off of the normal price for all Monthly License Charge (MLC) software currently installed on the 7060-H30 when licensed to the proposed z890 at Capacity Setting 120.

The specific terms and conditions of this offer are as follows:

#### IBM Terms and Conditions for MP3000 to z890 Software Waiver

- If the customer requires new software products, they are priced at announced EWLC or EWLC Tiered software prices.
- If the z890 is upgraded or replaced during the 36-month period, SW prices will revert to standard EWLC and DWLC Tiered Pricing.
- The z890 software waivers are limited to existing SW products and upgraded versions of these products currently installed on the MP3000.
- Standard software prices apply after the 36-months waiver period.
- If approved, this offering may be combined with an EGO, WTO, Cross Systems Waiver, or Education Allowance as applicable.
- This offering is limited to MP3000 processors installed prior to December 31, 2003.
- Customer who have implemented the MP3000 H30 Migration Offering prior to February 1, 2002 and have not completed the duration of that offering may migrate to a z890 with capacity settings 130 or 220 and continue the terms of that offering on the z890 for the remaining time period of the original offering.
- For customers who are carrying forward an existing MP3000 H30 Migration Offering, end users must discontinue the qualifying MP3000 H30 processor within two months of the Data of Installation of the qualifying z890.
- Waivers for z/OS only include the entire z/OS MLC software stack (Operating System and Non-Operating System). Waivers for VSE only include the entire VSE MLC Software stack (Operating System and Non-Operating System). A customer with both operating systems installed may receive a waiver on the MLC software stack for both operating environments.
- ESL priced software does not qualify for this ~~plan~~ *plan*.
- The z890 Capacity Setting 110 is not eligible for this ~~plan~~ *plan*.
- Software waivers do not apply to IPLA products for this offering.
- Customers with a current ELA are not eligible for this offering.

- This offering does not apply to outsourced accounts.
- By accepting these special terms, the Customer agrees to allow IBM to audit the Customer's compliance with the terms of this agreement upon reasonable prior notice to the Customer from IBM. The Customer understands that IBM may use information IBM has about the Customer's system in its audit activities and agrees to provide IBM with machine access and/or copies of system tools outputs and/or other system information as appropriate to conduct such audits.

The following illustrates the pricing for these products for the 36-month waiver period beginning with the first of the month following the installation of the z890-120:

Product	Description	Monthly Charge
5694-A01	z/OS 1.4 Base	\$4,028
5694-A01	z/OS 1.4 DFSMS dss	\$182
5694-A01	z/OS 1.4 DFSORT	\$247
5694-A01	z/OS 1.4 GDDM-PGF	\$186
5697-E93	CICS TS V2	\$3,807
5675-DB2	DB2 UDB and QMF V7	\$4,862
5655-G53	COBOL Alt Function	\$578
5655-B17	PSF V3	\$386
5688-190	PPFA/370	\$104

This will result in the following EGO and non-EGO IBM monthly software costs (assuming IGF financing):

	QTY	UNIT PRICE	TOTAL
<b>MONTHLY EGO SW COSTS</b>	1	\$4,643	\$4,643
<b>MONTHLY NON-EGO SW COSTS</b>	1	\$9,738	\$9,738
<b>TOTALS</b>	1	\$14,381	\$14,381

z/OS 1.4 (base and all chargeable components) is made available to the City of Lincoln via a 12-month EGO (Enterprise Growth Offering) contract in the amount of \$55,395. This contract is renewable with MSI after 12 and 24 months.

The City of Lincoln has two payment options for the EGO amount.

The first is to make a single up front payment in the amount of \$55,395. If the City of Lincoln would prefer a monthly invoice, the \$55,395 EGO can be financed over 12 months by IBM Global Financing at a monthly charge of \$4,643. This is exactly (and intentionally) the same monthly charge as if the City were paying IBM on a monthly basis without the EGO.

All of the other MLC software will be billed monthly in a "business as usual" manner to the City of Lincoln at \$9,738/mo during the 36-month waiver period.

## ITEM 4 – Equipment to be Traded In or Moved

### 1 – IBM 7060 H30 Processor

MSI's proposal for the z890 has special IBM discounting applied to it. This discounting explicitly requires that the 7060-H30 currently in service be returned to IBM. See item 5 under Additional Bid requirements for details.

### 1 - IBM 9394-002 controller with Qty 16 9395-B23 drawers.

MSI will provide the deinstall and removal of this equipment at no additional cost to you.

### 7 – IBM 3174 Controllers

MSI has examined the used market place for the (7) 3174's identified in your RFP. Unfortunately, the only model with market value is the 22L. Consequently, MSI cannot offer the City of Lincoln any trade in value for the 3174's that are currently in use.

It is **extremely important** to note that MSI has received additional special terms and conditions from IBM that will allow the City of Lincoln to retain the use of the 7060-H30 for an extended 'overlap' period with the z890-120 for up to ninety days after installation of the z890.

If we assume a shipment in mid-April with an installation by the end of April, this will allow the City of Lincoln to operate both the 7060-H30 and z890 in parallel for the months of May, June and July of 2005 without incurring duplicate software costs. This should give the City of Lincoln ample time to address all issues associated with the migration to the new z890. ***We would also recommend that you notify IBM with at least 30 days notice to cancel maintenance on your currently installed H30.***

## z890 BID SUMMARY

GRAND TOTAL HARDWARE: ITEMS 1 & 2 (includes cabling services and Optica converters)	\$	\$286,621
GRAND TOTAL SOFTWARE	\$	\$ 14,381
LESS: GRAND TOTAL TRADE-IN	\$	\$ 0
GRAND TOTAL BID	\$	\$301,002

## ADDITIONAL BID REQUIREMENTS

1. All IBM monthly license charge software costs are spelled out under Item 3 of MSI's response. Since the proposed z890-120 is smaller than the installed 7060-H30, there will be no change to the current charges associated with DB2 Utilities Suite (5648-D68) for both OTC and S&S charges. They will remain the same going forward. In addition, there will be no added costs associated with General Font Library (5648-E89).

2. MSI is proposing 36-month prepaid maintenance contracts for both the z890 at Capacity Setting 120 and the (2) Optica Channel converters. Those 36-month costs are \$33,801 for the z890 and \$1,440 for the (2) Optica Converters. By doing prepaid maintenance, the City of Lincoln is able to secure complete price protection for the 36-month term for both products. The City of Lincoln can pay this amount up front or can finance these charges with IBM Global Financing. If the City of Lincoln wishes to consider financing, leasing and or financing rates can be provided.
3. MSI's proposal for a new z890 includes installation by an IBM Customer Engineer at no additional charge.
4. MSI's proposal includes shipping of both the z890 and the Optica Converters at no additional charge.
5. As mentioned previously in this bid response, MSI has obtained a special bid from IBM that will allow for a 90-day overlap (beginning with the installation date of the z890) during which the City of Lincoln can operate both the 7060-H30 and z890 if that is required (it may not be). The terms and conditions of the special bid require that the City of Lincoln make the 7060-H30 available for return to IBM at the conclusion of this 90-day term (this should be approximately July 31, 2005). At that time, IBM will de-install the H30 and pack it up for shipment back to IBM. A contract to have IBM perform these de-installation and packing services for the 7060-H30 has been set up by MSI. MSI will cover these costs as part of our proposal to the City of Lincoln. There are no shipping charges for the return of the H30 to IBM.



## Transaction Document to MSI Systems Integrators, Inc. Master Agreement

### Project Agreement

MSI Systems Integrators, Inc. ("MSI") proposes selling the services shown on the attached schedules to Customer named below. This document is a proposal and does not become binding until both parties have signed a copy of this document. MSI reserves the right to cancel this proposal at any time before both parties have signed it. This proposal may be accepted by delivering a signed copy of the proposal to MSI Systems Integrators, Inc.

Customer Name	City of Lincoln
Customer Address	Information Services Division 233 S. 10 <sup>th</sup> St. Lincoln, NE 68508
Master Agreement No.	1001423
Transaction Document No.	F0405-00500760

### Project Summary

Installation of IBM 2086-A04 Base and Cabling Services

Estimated Start Date: April 18, 2005

Estimated Finish Date\*: June 15, 2005

\* Both parties agree to keep this project open for up to 90 days following this estimated finish date

### Schedules Attached

The following schedules are attached to this Transaction Document and are a part of this Transaction Document. MSI's charges are listed on the Schedules.

Schedule A - Project Requirements

Schedule C - Services to be supplied by or through MSI

Schedule Z - Billing Instructions



### Key Assumptions in Providing MSI Services

In establishing the charges and payments to be made for the services covered by this Transaction Document, both parties have agreed to the following key assumptions. If these key assumptions are not met, there may be additional charges incurred by Customer.

1. Customer will provide MSI with at least 24 hours notice when requesting non-emergency services and support, except as may otherwise be set out in this agreement.
2. Services and support activity will be scheduled during normal working hours (Monday through Friday, 8:00 a.m. to 5:00 p.m., except holidays) unless otherwise agreed.
3. Services and support activity may be performed at Customer's location, at MSI's location(s), or via telephone.

### Payment and Billing Terms for this Transaction

- Billing will be issued at the conclusion of the project.
- Project invoicing from MSI is due Net 30 days from the date of the invoice

NOTE: If not signed by Customer, received and counter-signed by MSI on or before May 5, 2005, this proposed Transaction Document will automatically expire.

By signing below, the parties make the agreement for the Products and Services that are contained in this Transaction Document. Customer's order under this Transaction Document is also subject to the MSI Master Agreement.

City of Lincoln  
Information Services Division

MSI Systems Integrators, Inc.

By: \_\_\_\_\_  
Authorized Signer

By: \_\_\_\_\_  
Authorized Signer

\_\_\_\_\_  
Name of Signer

\_\_\_\_\_  
Name of Signer

Date: \_\_\_\_\_

Date: \_\_\_\_\_

*Please return all pages of this signed Transaction Document to your MSI representative, or fax/mail to:*

John DeMaris  
MSI Systems Integrators, Inc.  
14301 First National Pkwy  
Suite 400  
Omaha, NE 68154

Fax (402) 965-2410  
Voice (402) 965-2347

## Schedule A - Project Requirements

- Customer will provide MSI with appropriate access to internal company facilities, including computer center access, systems reports and information, as well as reasonable availability of knowledgeable employees important to the completion of the activities outlined in Schedule C;
- Customer is responsible for the following:
  - Provide proper environment (space, cooling, etc) for 2086-A04.
  - Install any required electrical and phone connections prior to hardware arrival/installation.
  - Provide MSI with current IOCDs source file, requested HCD files, and make recommended changes to IODF/IOCDs files.
  - Make appropriate changes to both IBM and ISV software to accommodate new CPUID.
  - Obtain and apply all required maintenance or upgrades to both IBM and ISV software necessary to support the new environment.
  - Provide and install network cables necessary to connect OSA Express ports into City of Lincoln's network.
  - Have appropriate technical staff on-site to validate system operation after hardware is installed and implemented.
  - Participate in follow on meetings with IBM / MSI if required.
  - If enabled, provide appropriate TN3270 client software to access the Integrated Console Function
- Both parties will each assign a Project Focal responsible for attending all meetings, location logistics, employee logistics, communications, etc.;
  - The MSI Project Focal for this engagement is Dennis R. Chytka (605) 232-9329
- Both parties agree to follow structured Change Management procedures:
  - A Change is defined as an alteration to the project scope, deliverables, or milestones that affects the project cost, schedule, quality, or conformance of the deliverables to the agreed specifications.
  - MSI has overall responsibility for the Change Management process.
  - Once a Change is identified, both parties will work together to articulate and define it in a written format.
  - MSI will then prepare a Change Order document that amends this Transaction Document and must be signed by both parties.
- Project Price includes all MSI project-related travel and living expenses.

### Non-solicitation of Employees

During the term of this Transaction Document and for one (1) year following the last day on which MSI performs services for Customer under this Transaction Document, the parties will not, directly or indirectly, employ or offer employment to any employee of the other party, or assist any related corporation, affiliate or third party in doing so, without first contacting the other party and obtaining the other party's express consent with respect to the specific employee in question.

## Schedule C - Services to be supplied by or through MSI

### Installation of IBM 2086-A04 Base and Cabling Services

#### OVERVIEW

MSI will provide planning and installation base and cabling services for the installation of an IBM 2086-A04.

#### zSeries Base Installation Services

- Prepare Systems Assurance documentation.
- Conduct a System Assurance review and follow on meetings as required.
- Provide physical planning information and assistance as necessary to prepare environment for the installation of the 2086.
- Provide CHPID cross reference information to facilitate channel cable connection / migration to the 2086.
- Configure and customize Hardware Management Console for City of Lincoln's environment.
- Assist with configuring (PCHID to CHPID mapping) and customizing I/O configuration (IODF/IOCDs) for the 2086 upgrade if required.
- Create a 2086 logical system diagram.
- Assist with configuring and defining OSA connections if required.
- If required, assist with configuration of OSA Express 1000BASE-T ports to be used as Integrated Console Controllers.
- Provide on-site engineering assistance during the production cut-over from the 7060-H30 to the 2086-A04.
- Coordinate IBM Customer Engineering services for installation of the 2086 if required.

#### zSeries Cabling Services

- Assist City of Lincoln with determining 2086-A04 channel cable requirements.
- Provide cable labeling information with cable order.
- Provide required channel cables up to the number of enabled ports.
- Order and provide for the installation of ESCON to Parallel converters.
- Contract and coordinate new cable installation activity with IBM Customer Engineer.
- Coordinate IBM Customer Engineer cabling activity at production cut-over.
- Provide a cross reference with PCHID, CHPID, and processor cabling information

#### Project Deliverables

- Systems Assurance Product Review (SAPR) Guide.
- Physical Planning manual.
- A logical system diagram
- CHPID cross reference chart from current IBM 7060-H30 processor to the new IBM 2086-A04, including PCHID information.
- ESCON and FICON cables up to the number of configured ports on the 2086-A04.

This project will be complete when the 7060-H30 workload is running on the 2086-A04.

**Project Price: \$ 5,000.00\*** Cabling Services (includes MSI Expenses)

\* Project Price covers the "zSeries Cabling Services" phase of the project only; the price for the other project phases is included in the price of the 2086-A04.



Schedule Z - Billing Instructions

Transaction Document no. F0405-0500760

MSI's goal is to provide our Customers with timely and accurate invoices for the products we sell and the services we provide.

MSI would appreciate your input regarding our billing to you for this particular project.

If you have any special instructions or comments that would assist MSI with timely and accurate invoicing for this Transaction, please indicate below.

Send invoice(s) to the following location:  
(unless otherwise specified, we will use  
the information already in our database)

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Send the invoice to the attention of:

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Reference the following on the invoice:  
(i.e., PO Number, Project Name, etc.)

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Other comments or suggestions:  
(i.e., billing frequency, format, level of detail, etc. - we will do our best to accommodate!)

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## Transaction Document to MSI Systems Integrators, Inc. Master Agreement

### Project Agreement

MSI Systems Integrators, Inc. ("MSI") proposes selling the services shown on the attached schedules to Customer named below. This document is a proposal and does not become binding until both parties have signed a copy of this document. MSI reserves the right to cancel this proposal at any time before both parties have signed it. This proposal may be accepted by delivering a signed copy of the proposal to MSI Systems Integrators, Inc.

Customer Name	City of Lincoln
Customer Address	Information Services Division 233 S. 10 <sup>th</sup> St. Lincoln, NE 68508
Master Agreement No.	1001423
Transaction Document No.	F0405-0500794

### Project Summary

2105-800, McData 4500 Installation and TDMF Data Migration Services
---

Estimated Start Date: April 5, 2005

Estimated Finish Date\*: April 30, 2005

\* Both parties agree to keep this project open for up to 90 days following this estimated finish date

### Schedules Attached

The following schedules are attached to this Transaction Document and are a part of this Transaction Document. MSI's charges are listed on the Schedules.

Schedule A - Project Requirements

Schedule C - Services to be supplied by or through MSI

Schedule Z - Billing Instructions



### Key Assumptions in Providing MSI Services

In establishing the charges and payments to be made for the services covered by this Transaction Document, both parties have agreed to the following key assumptions. If these key assumptions are not met, there may be additional charges incurred by Customer.

1. Customer will provide MSI with at least 24 hours notice when requesting non-emergency services and support, except as may otherwise be set out in this agreement.
2. Services and support activity will be scheduled during normal working hours (Monday through Friday, 8:00 a.m. to 5:00 p.m., except holidays) unless otherwise agreed.
3. Services and support activity may be performed at Customer's location, at MSI's location(s), or via telephone.

### Payment and Billing Terms for this Transaction

- Billing will be issued at the conclusion of the project.
- Project invoicing from MSI is due Net 30 days from the date of the invoice

NOTE: If not signed by Customer, received and counter-signed by MSI on or before May 5, 2005, this proposed Transaction Document will automatically expire.

By signing below, the parties make the agreement for the Products and Services that are contained in this Transaction Document. Customer's order under this Transaction Document is also subject to the MSI Master Agreement.

City of Lincoln  
Information Services Division

MSI Systems Integrators, Inc.

By: \_\_\_\_\_  
Authorized Signer

By: \_\_\_\_\_  
Authorized Signer

\_\_\_\_\_  
Name of Signer

\_\_\_\_\_  
Name of Signer

Date: \_\_\_\_\_

Date: \_\_\_\_\_

*Please return all pages of this signed Transaction Document to your MSI representative, or fax/mail to:*

John DeMaris  
MSI Systems Integrators, Inc.  
14301 First National Pkwy  
Suite 400  
Omaha, NE 68154

Fax (402) 965-2410  
Voice (402) 965-2347

## Schedule A - Project Requirements

- Customer will provide MSI with appropriate access to internal company facilities, including computer center access, systems reports and information, as well as reasonable availability of knowledgeable employees important to the completion of the activities outlined in Schedule C;
- Customer is responsible for the following:
  - Assign a staff member to be the Project Manager and primary point of contact regarding this service;
  - Assign staff as required to support the execution of the tasks specified in Schedule C;
  - Installation of PTF's, support software and OS/390 maintenance to support Fujitsu's TDMF migration tool;
  - One APF authorized dataset for software installation;
  - Access to the Customer's systems with appropriate authority to access and move the Customer's data and issue OS/390 system commands;
  - Availability of Customer personnel to coordinate activities through and to provide status updates;
  - Storage management report listing the volumes to be migrated and their attributes;
  - Available installed DASD capacity, which is empty, (VTOC only) and matches the track geometry (3380 to 3380 or 3390 to 3390) of the source volumes to be migrated. An equal number of device addresses is also required. Devices can be of larger capacity but the same quantity is needed.
- Both parties will each assign a Project Focal responsible for attending all meetings, location logistics, employee logistics, communications, etc.;
  - The MSI Project Focal for this engagement is Kraig Thelen (402) 965-2323
- Both parties agree to follow structured Change Management procedures:
  - A Change is defined as an alteration to the project scope, deliverables, or milestones that affects the project cost, schedule, quality, or conformance of the deliverables to the agreed specifications.
  - MSI has overall responsibility for the Change Management process.
  - Once a Change is identified, both parties will work together to articulate and define it in a written format.
  - MSI will then prepare a Change Order document that amends this Transaction Document and must be signed by both parties.
- Project Price includes all MSI project-related travel and living expenses.

### Non-solicitation of Employees

During the term of this Transaction Document and for one (1) year following the last day on which MSI performs services for Customer under this Transaction Document, the parties will not, directly or indirectly, employ or offer employment to any employee of the other party, or assist any related corporation, affiliate or third party in doing so, without first contacting the other party and obtaining the other party's express consent with respect to the specific employee in question.

## Schedule C - Services to be supplied by or through MSI

2105-800, McData 4500 Installation and TDMF Data Migration Services

### OVERVIEW

MSI will assist Customer with the installation of 2105-800 ESS to the mainframe. MSI will also install (1) Fiber Switch (McData 4500) with connectivity to (1) Open System Server.

MSI will use the following task outline to guide the activities of this project:

- Assemble the project team, consisting of IBM, Customer, and MSI personnel
- Conduct a Shark integration planning session
- Document host system that requires Host attachment
- Create a project task list and schedule
- Develop Shark system connection diagram
- Develop specifications and assignments (RAID rank)
- Coordinate configuration and requirements to the IBM installation team
- Conduct a Systems Assurance Review
- Inventory the hardware for validation and proper components and options
- Advise the Customer of the cabling requirements; verify proper installation of all ESCON / FICON cables between host locations and Shark location
- Assist Customer with HCD configuration of the host systems volume recognition and utilization
- Perform basic read and write tests to the Shark volumes to verify path connectivity via DEV Serv command
- Perform an informal skills transfer with the Customer's staff
- Provide system connection diagrams and volume assignment to the Customer for ongoing maintenance
- Configure McData 4500 for SAN host connectivity
- Perform data migration services using Fujitsu's TDMF data migration tool suite for z/OS

### Project Deliverables

- Planning documentation for Systems Assurance Review
- Completed project schedule / task list

This project shall be considered complete once the additional capacity is online to the assigned production system and the project deliverables have been provided to the Customer.

**Project Price: \$ 6,000.00** (includes MSI expenses)



### Schedule Z - Billing Instructions

Transaction Document no. F0405-0500794

MSI's goal is to provide our Customers with timely and accurate invoices for the products we sell and the services we provide.

MSI would appreciate your input regarding our billing to you for this particular project.

If you have any special instructions or comments that would assist MSI with timely and accurate invoicing for this Transaction, please indicate below.

Send invoice(s) to the following location:  
(unless otherwise specified, we will use  
the information already in our database)

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Send the invoice to the attention of:

---

Reference the following on the invoice:  
(i.e., PO Number, Project Name, etc.)

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Other comments or suggestions:  
(i.e., billing frequency, format, level of detail, etc. - we will do our best to accommodate!)

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## LINUX ON THE z890

MSI has discussed the potential of Linux on the proposed z890-120 with the City of Lincoln. Given that the proposed capacity Setting of 120 consumes a single engine on the z890 processor, there are three other engines that can be used as Integrated Facility for Linux (IFL) or zSeries Application Assist Processor (zAAP) engines.

Even though there does not appear to be an immediate requirement or opportunity to exploit the Linux capabilities of the z890-120, MSI is offering the following terms and conditions for an IFL through July 31, 2005:

- The City of Lincoln may purchase an IFL (366 MIPS) for \$66,500
- A 36-month prepaid maintenance contract for this IFL would be priced at \$25,927
- The City of Lincoln could purchase z/VM v5 and any other chargeable features of z/VM at a 10% discount over standard pricing:
  - z/VM v5 \$20,250 (annual maintenance = \$5,630)
  - Directory Maintenance \$342 (annual maintenance = \$100)
  - Performance Toolkit \$1,575 (annual maintenance = \$440)
  - RACF \$2,700 (annual maintenance = \$750)

In addition to the above, the City of Lincoln would need to obtain a distribution of the Linux code (MSI is a reseller for the Novell SuSe version).

Included in the cost of the IF is MSI services to assist the City of Lincoln with z/VM and Linux training and implementation.

MSI is anxious to work with the City of Lincoln on any opportunity that makes sense for exploiting Linux and an IFL on the proposed z890. This could include some simple infrastructure applications initially (i.e. file and print), but also things like server consolidation or centralized backup and recovery of distributed servers.

In addition to what is outlined above, for the right kind of opportunity, we can consider trials, loaners and other special terms and conditions as appropriate.

Please refer to the following pages for a description of some of the Linux on zSeries services offered by MSI.

## **Linux Enablement Services on zSeries**

### **Project Goal (Statement of Project Purpose)**

Install and configure Linux for zSeries either in an LPAR or as a VM guest without the need for dedicated internal resources. MSI will also demonstrate the Linux proof of concept by implementing open-source software such as SAMBA for file/print serving, or the Apache Web Server.

### **Proposed Solution (Summary of service to be provided)**

#### ***LPAR Installation***

- Review and modify IOCDs.
- Define two DASD volumes for Linux use.
- Create LPAR for Linux.
- Install Linux kernel.
- Define network interface to Linux.
- IPL Linux on S/390.
- Install, configure, and demonstrate proof of concept software.

#### ***VM Guest Installation***

- Review and modify IOCDs
- Allocate DASD space to the LPAR/VM guest
- Install Linux kernel on LPAR/VM guest
- Define network interface to Linux
- Install, configure, and demonstrate proof of concept software.

### **Project Scope**

The scope of this project is limited to performing the tasks required to accomplish each of the steps described in the proposed solution above. If additional tasks are required, the scope of the project and the estimated hours will be documented in the associated Statement of Work.

### **Deliverables**

- All documentation that is supplied by the Linux distributor.
- Half day Linux Implementation Planning Session

### **Completion Criteria**

- Linux and associated server functionality has been demonstrated.

### **Customer Responsibilities**

- Provide an on site technical resource.
  - Order and make available an approved distribution copy of Linux.
  - Provide functioning communications connections (LAN).
  - Provide access to the zSeries or S/390 processor.
-

## **Linux Feasibility Analysis Services**

### **Project Goal (Statement of Project Purpose)**

Analyze the existing and proposed IT infrastructure to determine the viability of a Linux based solution.

### **Proposed Solution (Summary of service to be provided)**

The Linux Feasibility Analysis Services offering deals with the analysis and documentation of the current IT infrastructure. It consists of five specific activities:

- Analyze current IT environment and infrastructure
- Analyze and categorize current and planned applications into 5 categories
- Analyze and categorize future or planned applications into 5 categories
- Develop Total Cost of Ownership (TCO)
- Identify Proof Of Concept (POC) candidate

In this Services Offering, MSI will analyze the existing IT environment and infrastructure and, from that analysis, categorize the existing and proposed application set in to one of five categories:

- Candidate for Linux Environment with no rework required
- Candidate for Linux Environment with minor rework required
- Candidate for Linux Environment with major rework required
- May Leave in Current Environment
- Leave in Current Environment

Based upon this analysis the client, assisted by MSI, can formulate a Linux based strategy for the enterprise.

### **Project Scope**

The scope of this project is limited to performing the tasks required to accomplish each of the steps described in the proposed solution above. If additional tasks are required, the scope of the project and the estimated hours will be documented in the associated Statement of Work.

### **Deliverables**

Detailed analysis documents and recommendations for Linux implementation in the enterprise.  
Recommendations for next steps.

### **Completion Criteria**

Above documentation delivered, discussed and accepted by client.

### **Client Responsibilities**

The Client will designate a person as Point of Contact, to whom all MSI communications will be addressed and who has the authority to act for the client in all aspects of the project.

The Point of Contact will:

- Serve as the interface between the MSI project team and all the client departments participating in this project.
- Obtain and provide information, data, decisions and approvals, within a reasonable timeframe of our request.
- Participate in status meetings with the project team, as required.
- Help resolve project issues, and escalate issues within the client organization, as necessary.
- Provide suitable office space, supplies, furniture, and other facilities (including analog telephone access) for MSI personnel while working on the client premises.
- Ensure the client personnel who are assigned to this project will have the technical skills necessary to participate.
- Provide MSI with building access badges, if required.
- Allow MSI to store contact information, such as names, phone numbers, and e-mail addresses and to use such information to communicate with client personnel for the purpose of providing services.
- Be responsible for the content of any database, the selection and implementation of controls on its access and use, backup and recovery and the security of the stored data. Be responsible for the identification and interpretation of any applicable laws, regulations, and statutes that affect your existing application systems or programs that MSI will have access to during this project. It is the client responsibility to assure that the systems and programs meet the requirements of those laws, regulations and statutes.

# **Linux Implementation Planning Services**

## **Project Goal (Statement of Project Purpose)**

The Linux Implementation Planning Services offering deals with detailed identification, development and planning of a Proof of Concept. It consists of four specific activities

- Identify and Develop Proof of Concept
- Identify Pilot Application
- Component Identification
- Develop detailed Project Plan

## **Proposed Solution (Summary of service to be provided)**

In this Services Offering, MSI will identify, develop and plan a proof of concept. Using data obtained during the Linux Feasibility Analysis or other data the clients deems suitable, a proof of concept candidate will be developed, Further analysis may be required to identify pilot applications and components. From this a detailed project plan can be developed.

## **Project Scope**

The scope of this project is limited to performing the tasks required to accomplish each of the steps described in the proposed solution above. If additional tasks are required, the scope of the project and the estimated hours will be documented in the associated Statement of Work.

## **Deliverables**

Detailed Project plan and recommendations for Linux Proof of Concept. Recommendations for next steps.

## **Completion Criteria**

Above documentation delivered, discussed and accepted by client.

## **Client Responsibilities**

The Client will designate a person as Point of Contact, to whom all MSI communications will be addressed and who has the authority to act for the client in all aspects of the project.

The Point of Contact will:

- Serve as the interface between the MSI project team and all the client departments participating in this project.
  - Obtain and provide information, data, decisions and approvals, within a reasonable timeframe of our request.
  - Participate in status meetings with the project team, as required.
  - Help resolve project issues, and escalate issues within the client organization, as necessary.
  - Provide suitable office space, supplies, furniture, and other facilities (including analog telephone access) for MSI personnel while working on the client premises.
  - Ensure the client personnel who are assigned to this project will have the technical skills necessary to participate.
  - Provide MSI with building access badges, if required.
  - Allow MSI to store contact information, such as names, phone numbers, and e-mail addresses and to use such information to communicate with client personnel for the purpose of providing services.
  - Be responsible for the content of any database, the selection and implementation of controls on its access and use, backup and recovery and the security of the stored data.
  - Be responsible for the identification and interpretation of any applicable laws, regulations, and statutes that affect your existing application systems or programs that MSI will have access to during this project. It is the client responsibility to assure that the systems and programs meet the requirements of those laws, regulations and statutes.
-

# 05-079 IBMz/890 Enterprise Server and IBM Enterprise Storage Server Unit April 6, 2005

<b>COMPANY NAME:</b> <b>REPRESENTATIVE:</b> <b>ADDRESS:</b> <b>CITY, STATE, ZIP:</b> <b>TELEPHONE NO.:</b>	Baer Consulting, Inc. Duane C. Bauer 28154 Meadow Tr. Conifer, CO 80433 303-838-3374	KCI Inc Jeffrey Klein 19 Industrial Ave Mahwah, NJ 07430 201-934-6500 X11	MSI Systems Integrators Jerry W Woodward 14301 First National Parkway Ste 4 Omaha, NE 68154 402-965-2300
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Item	Qty.	Description	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
1		<b>IBM 2086-A04 z/890 Processor at Capacity setting 120 Inc:</b>						
	8	Escon Channels		\$154,962.50				\$206,839.00
	2	Parallel Channel Converters					\$3,500.00	\$7,000.00
	4	Ficon Channels (2 cards/2 ports per card)						
	4	OSA-E 1000 BaseT Ports						
		Onsite system assurance review, cabling services, and implementation assistance						\$5,000.00
		<b>TOTAL 2086-A04 z/890</b>		\$154,962.50				\$218,839.00
		<b>ALTERNATE 2066 - OEI z/800</b>						
2		<b>IBM 2105-800 Ttl. Storage Enterprise Storage Server Inc:</b>						
	4	Disk Eight-Pack 72.8 GB, 10K rpm		\$102,097.00		\$160,976.00	\$21,600.00	\$21,600.00
	1	IMB Total Storage ESS Master Console				Inc.	\$5,688.00	\$22,752.00
	2	2GB Fiber Channel/FICON (Long Wave) Host Adp				Inc.	\$600.00	\$600.00
	2	2GB Fiber Channel/FICON (Short Wave) Host Adp			\$19,450.00	Inc.	\$1,620.00	\$3,240.00
	2	2026-224 IBM Total Storage Scan241M1 Mid-Range Switch					\$1,440.00	\$2,880.00
	6	Fiber Optical Cable 50u, 30m, LC Male/LC Male				Inc	\$4,990.00	\$9,980.00
	2	Flex-Port: Additional 8 Port Enablement				Inc	\$55.00	\$330.00
		<b>TOTAL 2105</b>				Inc	\$3,200.00	\$6,400.00
		<b>ALTERNATE IBM 2105-F20</b>		\$102,097.00		\$199,876.00		\$67,782.00
		<b>GRAND TOTAL HARDWARE</b>		\$257,059.50		\$199,876.00		\$286,621.00
3		<b>IBM Software Pricing with z/890 Waiver</b>						
		Monthly EGO Software Costs		\$647,136.00				\$4,683.00
		Monthly Non/EGO Software Costs						\$9,738.00
		<b>GRAND TOTAL SOFTWARE</b>						\$14,421.00
		<b>ALTERNATE z/ELC</b>		\$647,136.00				
4		<b>Equipment To Be Traded-in/removed Total</b>						Inc in 2890 price
				-\$7,500.00				
		<b>BID SUMMARY</b>						
		Grand Total Hardware		\$257,059.50				\$286,621.00
		Grand Total Software		\$647,136.00				\$14,421.00
		Less Grand Total Trade-In		-\$7,500.00				\$0.00
		<b>Grand Total Bid</b>		\$896,695.50				\$301,042.00

# MEMORANDUM

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**To:** Tom Kopplin, Finance - Purchasing  
**From:** Randy Ober, Finance - Information Services  
**Date:** April 20, 2005  
**Subject:** Bid 05-079

For Bid 05-079, the bid should be awarded to MSI Systems Integrators in Omaha, Nebraska.

*Randy Ober*



CITY OF LINCOLN

IBM zSeries

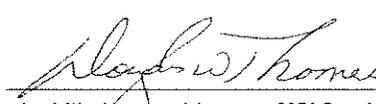
**MAINTENANCE & OPERATING SYSTEM SOFTWARE - 2086 MAINFRAME PROJECT**

Proposal Date: 7/19/2005

Payment Terms:

NET 30

Product	Description	Qty.	Price
MAINTENANCE	36-MONTHS MAINTENANCE ON 2086-A04	1	\$ 32,111.00
	36-MONTHS MAINTENANCE ON OPTICA 34600'S	1	\$ 1,440.00
EGO	12-MONTHS OPERATING SYSTEM SOFTWARE ON 2086-A04	1	\$ 55,395.00

Signature: 

Sub Total	\$	88,946.00
Shipping and Handling	\$	0.00
<b>Total</b>	<b>\$</b>	<b>88,946.00</b>

\*\*\* Product to be billed upon shipment, MSI Services to be billed upon completion. \*\*\*

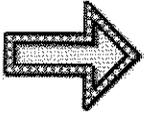
Prices are for your information only and are subject to change.

Miscellaneous expenses are not included in purchase total and may be billed separately. (ie. taxes, travel expenses, etc.)

Shipping and handling fee includes standard shipping charges. If order has been requested to be shipped expedite, additional fees may apply.

Pricing valid for complete configuration only. Changes to include; quantity, additions, or deletions will require revised quote and pricing.

15% Restock fee will be applied to all unopened product returns; no return is allowed to opened items.



Randy L Ober/Notes  
07/19/2005 10:20 AM

To Peggy A Hielen/Notes@Notes  
cc  
bcc  
Subject Re: Two Administrative Items

bdavis@msiinet.com



bdavis@msiinet.com  
07/18/2005 05:00 PM

To ROber@ci.lincoln.ne.us  
cc CKnapp@msiinet.com, jwoodward@msiinet.com  
Subject Two Administrative Items

Randy, I need to work with you to clean up a couple of invoicing issues.

*\$6,000.00 How much SAVINGS*  
Prepaid Maintenance Contracts - You sent us the signed IBM ServiceSuite contract a while back. We need one of two things in order to invoice you for the 36-month prepaid maintenance option you wanted in the amount of \$32,111. We could send you a signable MSI quote or we could wait to receive your purchase order. Have you started the process to issue a PO or would you like for us to send you a quote? If you want to include the prepayment of maintenance for the Optica Converters, that cost would be \$1,440 per my e-mail dated 6/13/05.

12-Month EGO - As you know, there is a 12-month EGO for the z/OS operating system in the amount of \$55,395 (20% discount applied per our RFP response). Based on your e-mail dated 5/2/05, I believe you wanted to pay for this up front instead of financing it with IBM Global Financing. If that is correct, again we could send you a signable quote or simply receive your PO.

Please let me know how you would like to proceed on both of these items.

Thanks Randy.

Bob Davis  
zSeries Sales Executive  
MSI Systems Integrators  
14301 First National Parkway - Suite 400  
Omaha, NE 68154  
IP Phone: (402) 965-2388  
Fax: (402) 965-2410  
Cell: (402) 578-2675  
bdavis@msiinet.com

www.msiinet.com