



# REPORT TO COUNCIL

## City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

Consent Report  
**June 24, 2008**

**Honorable Mayor and  
 Members of the City Council**

**Title:** Purchase/Cooperative Agreement: Citywide Information Technology  
 Related Goods and Services for Fiscal Year 2008/09

**Location/Council District:** Citywide

**Recommendation:** Adopt a **Resolution** 1) approving the use of cooperative purchasing agreements for the purchase of information technology related goods and services, and 2) authorizing the City Manager to issue the required purchase orders under the cooperative purchasing agreements during Fiscal Year 2008/09 for an amount not-to-exceed \$11,185,000.

**Contact:** Ignacio Estevez, Program Manager, 808-7349

**Presenters:** N/A

**Department:** Information Technology

**Division:** Administration

**Organization Dept ID:** 07001011

**Description/Analysis**

**Issue:** The City has ongoing needs to purchase Information Technology (IT) related goods and services. In June 2008, the IT Department conducted its annual review of all citywide IT related purchases in Fiscal Year 2007/08. Based on this annual review, staff has prepared an estimate of the anticipated purchases citywide of a variety of IT related goods and services for Fiscal Year 2008/09. Staff requests approval and spending authorization to cover the estimated expenditures through the use of cooperative purchasing agreements.

The cooperative purchasing agreements and vendors that will be used to procure the IT related goods and services for Fiscal Year 2008/2009 are listed below. This consolidated format report is to ensure that City Council is aware of the overall levels of IT purchases citywide. At the end of the fiscal year, staff will review IT purchases to compare the level of those purchases to budgets in the

new fiscal year and prepare a report similar to this for Council review and approval.

Vendor Name	FY2008/09 Not to Exceed Amount	Co-operative Purchase Agreement	Description
AT&T	\$2,400,000	CALNET / CALNET II	Telephone billing, data lines and signal lines, telecommunication/network hardware, software purchase, and maintenance.
AMS.NET	\$250,000	Greenfield Union School District Contract GUSD-05-06-RFP	Telecommunication/network hardware, software, and maintenance.
AT&T Mobility	\$750,000	Western States Contracting Alliance (WSCA) Contract 7-06-70-01	Cellular phone service.
COMPUCOM	\$300,000	State of California Software Licensing Program (SLP) Contract SLP-06-70-0013N and County of Riverside (ITARC000002AB) Enterprise Agreement 01E62044	Novell enterprise software licensing and maintenance (estimate \$250,000). Microsoft software/maintenance purchases (\$50,000).
Dell Computer	\$1,000,000	WSCA Contract A63307	Routine IT purchases (hardware equipment that includes personal computers, laptops, and related accessories).
DLT Solutions	\$50,000	U.S. General Services Administration (GSA) Contract GS-35F-4543G	Autodesk Software.
Hewlett Packard	\$1,500,000	WSCA Contract A63309	Routine IT purchases (hardware equipment that includes printers, servers, personal computers, and monitors).
Howard Computers	\$100,000	WSCA Contract A63310	Routine IT purchases (Computer laptops and related accessories and supplies).
IBM	\$500,000	WSCA Contract A63311	Routine IT purchases (hardware equipment that includes servers, mainframes, and backup systems).
Lenovo	\$250,000	WSCA Contract A74813	Routine IT purchases (computer laptops and related accessories and supplies). Lenovo is the authorized reseller of IBM computer laptops.
L3 Communications	\$300,000	U.S. GSA GS-35F-4664G	Mobile Data Computers (MDC) for Police and Fire vehicles.
Motorola	\$300,000	WSCA Contract 02702	Radios, communication equipment and supplies to support public safety.
Motorola	\$35,000	County of Sacramento contract WA00019290	Radio equipment parts and spares.
Nexus IS	\$1,000,000	County of Riverside Contract RIVCO-20420-002-004-03/09 (ITARC-92004-001-003-03/12)	Routine IT purchases (IT and telecommunication hardware equipment).
Northrop Grumman	\$300,000	State of California Strategic	EMC Hardware, software and

Vendor Name	FY2008/09 Not to Exceed Amount	Co-operative Purchase Agreement	Description
		Sourcing Contract (#1S-05-70-10)	maintenance.
Authorized Oracle resellers: C&G Technology, Commercial Data Systems, DLT Solutions, Taborda Solutions, Fusion Storm.	\$350,000	SLP Contracts SLP-07-70-0068A, SLP-07-70-0067A, SLP-07-70-0068A, SLP-07-70-0043B, SLP-07-70-0063B	Oracle software maintenance and technical support: Database Software, Customer Information System (CIS).
Quest	\$250,000	CalSAVE (Sponsored by the Monterey County Office of Education) (IFB#005B)	Telecommunication/network hardware, software, and maintenance.
Sprint Nextel Corporation	\$750,000	State of California Contract for Wireless Service (1S-05-58-01)	Cellular phone service.
Verizon Wireless	\$800,000	State of California Contract for Wireless Service (1S-05-58-02)	Cellular phone service.
<b>Total FY 2008/09</b>	<b>\$11,185,000</b>		

**Policy Considerations:** The recommendations in this report are in accordance with the following provision of City Code:

- Section 3.56.240: Authorizes the City Manager, where advantageous to the City, to utilize co-operative purchasing agreements approved by the City Council to purchase supplies or nonprofessional services through legal contracts of other governmental jurisdictions or public agencies without separate competitive bidding by the City.

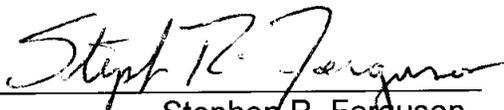
**Environmental Considerations:** The report does not constitute a "project" and is therefore exempt from the California Environmental Quality Act (CEQA) [CEQA Guidelines Sections 15061(b)(3); 15378(b)(2)].

**Rationale for Recommendation:** In an ongoing effort to maximize cost savings and staff resources, many government agencies share contracting efforts through cooperative purchasing. This procurement approach increases pricing competitiveness and lowers operating costs through volume purchasing. When comparing the administrative costs of procurement, staff considers product research, source selection, specifications, advertising, staff reports, awarding, protest, and administration of the contract. It is often more cost-effective to eliminate the cost and time spent on these administrative processes and purchase items and services through a cooperative purchasing program. The City has used both regional and national cooperative purchasing agreements to complement its own contracting initiatives. Cooperative purchasing enables City departments and the Procurement Services Division to evaluate a broader range of contracting opportunities and to share resources with other jurisdictions. Cooperative purchasing also leverages internal and external resources to maximize cost savings opportunities for the City.

**Financial Considerations:** The total requested amount for Fiscal Year 2008/2009 will not exceed \$11,185,000. At such time as when the overall total or individual limit by vendor exceeds the amounts authorized, or in cases involving unanticipated purchases of IT hardware, software or services, individual Council requests will be made. Funding for the purchases that will be made under the cooperative purchasing agreements were included in the various departmental approved FY 2008/09 operating budget. The FY 2008/09 budget was adopted by Council on June 17, 2008.

**Emerging Small Business Development (ESBD):** Cooperative purchasing agreements are created, evaluated and awarded by other government agencies that may or may not have similar emerging and small business programs. However, all effort will be made to encourage and utilize certified ESBE vendors when possible.

Respectfully Submitted by: Ignacio Estevez, Program Manager

Approved by:   
Stephen R. Ferguson  
Chief Information Officer

Recommendation Approved:

  
Ray Kerridge  
City Manager

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**Attachment 1****Background**

1. Co-operative Purchase Agreements: The use of co-operative purchasing agreements maximizes cost savings and staff resources by sharing contracting and purchasing efforts with other government agencies. Utilizing cooperative purchasing agreements is advantageous to the City because it provides an opportunity for the City to obtain lower pricing through volume purchasing. Below is a brief explanation of competitive agreements the City will use to make co-operative IT purchases:

U.S. General Services Administration (GSA) Schedule contracts: Negotiated by the federal government with the intent of "most favored customer" pricing plus a discount offered to GSA and other authorized purchasers. Purchasing from GSA Schedule contracts offers the following advantages over procuring on the open market: (1) GSA has determined prices under the Schedule contracts to be fair and reasonable, (2) Schedule contracts have been awarded in compliance with all applicable laws and regulations, (3) Administrative time is reduced; (4) Schedule contracts offer a wide selection of state-of-the-art commercial supplies and services."

Western States Contracting Alliance (WSCA): WSCA establishes cooperative multi-State contracts where participating states may join together in order to achieve cost-effective and efficient acquisition of quality products and services. Government purchasing benefits from cumulative volume discounts. Resulting WSCA agreements are available to all State of California governmental entities (state agencies, cities, counties, school districts, universities, etc.) that expend public funds for the acquisition of both goods and services.

State of California Software Licensing Program (SLP): The SLP offers extensive discounts that are negotiated with major software publishers that are then passed on to the State through SLP contracts established with authorized participating resellers. The SLP streamlines the purchasing process by reducing the need for individual departments and other public entities to conduct repetitive bids for their software needs. The customers that use the SLP consist of State departments, boards and commissions; cities, counties and special districts; educational entities; and public entities that can expend public funds.

State of California Contract for Wireless Service: These contract offer cellular service and equipment for wireless voice, voice with walkie talkie and data services with Sprint Nextel Corporation (#1S-05-58-01) and Verizon Wireless (#1S-05-58-02). The contract offers huge savings, increased service levels, and is convenient to use.

State of California Strategic Sourcing Contract : Strategic Sourcing is a process designed to allow the State of California to purchase the best products and best services for the best value. Using this purchasing approach, the buyer (California)

analyzes what it's buying, what the market conditions are and who can supply those goods or services. The buyer then uses that information--plus innovative contracting techniques--to find the best values available in the marketplace.

**CalSAVE:** CalSAVE is a co-operative purchasing program that helps California's schools and public agencies buy the latest technology, instructional resources and other products for less money and with more efficiency. CalSAVE leverages the statewide buying power of California's schools and public agencies to secure the lowest possible price. Every public school district, K-12 private school, charter school, community college district, and other state and local public agency throughout the State of California are authorized to use these contracts.

2. On-going Multiyear Co-operative IT Purchase Agreements: Below is a list of multiyear IT co-operative purchase agreements that have been previously approved by City Council:

**Microsoft Enterprise Agreement:** On April 12, 2005, City Council approved the purchase of Microsoft Licenses and Maintenance for a five year period through the use of the California Counties Information Systems Directors Association (CCISDA)/County of Riverside co-operative purchasing agreement (ITARC000002AB). (Reso 2005-267)

3. Staff Review: For the past several years, the City Council has approved and authorized use of cooperative purchasing agreements to procure a variety of IT related goods and services citywide, such as computer hardware, software, and technical support services. Below is a summary of the previously approved IT purchases:

- a. Fiscal year 2005/06: IT Purchases for an amount not to exceed \$5,825,000. (Reso 2005-673).
- b. Fiscal Year 2006/07: IT purchases for an amount not to exceed \$11,025,000 (Reso 2006-520).
- c. Fiscal Year 2007/08: IT purchases for an amount not to exceed \$12,425,000 (Reso 2007-458)

**Attachment 2****RESOLUTION NO.**

Adopted by the Sacramento City Council

**AUTHORIZING USE OF COOPERATIVE PURCHASING AGREEMENTS FOR  
INFORMATION TECHNOLOGY RELATED GOODS AND SERVICES DURING FISCAL  
YEAR 2008/09**

**BACKGROUND**

- A. Sacramento City Code section 3.56.240 authorizes, where advantageous to the City, the use of cooperative purchasing agreements through other governmental jurisdictions or public agencies for the purchase of supplies or nonprofessional services without separate competitive bidding.
- B. The City has an ongoing need to purchase Information Technology (IT) related goods and services. For the past several years, the City Council has approved and authorized use of cooperative purchasing agreements to procure a variety of IT related goods and services citywide, such as computer hardware, software, and technical support services. (Resolution Nos. 2005-673, 2006-520, and 2007-458). Utilizing cooperative purchasing agreements is advantageous to the City because it provides an opportunity for the City to obtain lower pricing through volume purchasing
- C. At such time when the overall total or individual limit by vendor exceeds the amounts authorized in this resolution, or in cases involving unanticipated purchases of IT hardware, software or services, individual Council requests will be made.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL  
RESOLVES AS FOLLOWS:**

Section 1. The cooperative purchasing agreements listed below are approved for purchase of information technology related goods and services citywide.

Vendor Name	FY2008/09 Not to Exceed Amount	Co-operative Purchase Agreement	Description
AT&T	\$2,400,000	CALNET / CALNET II	Telephone billing, data lines and signal lines, telecommunication/ network hardware, software purchase, and maintenance.
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Solutions, Fusion Storm.			
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<b>Total FY 2008/09</b>	<b>\$11,185,000</b>		

Section 2. The City Manager, or the City Manager's designee, is authorized to execute the necessary purchases under the cooperative purchasing agreements from the vendors in the amounts specified below, provided sufficient funds are available in the budget adopted for the applicable fiscal year. The total amount of purchases utilizing the cooperative purchasing agreements are not to exceed \$11,185,000 for Fiscal Year 2008/09.