



# City of Sacramento City Council

915 I Street, Sacramento, CA, 95814

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**Meeting Date:** 6/21/2011

**Report Type:** Consent

**Title: Purchase/Cooperative Agreement: Citywide Informaiton Technology (IT) Related Goods and Services for Fiscal Year 2011/12**

**Report ID:** 2011-00502

**Location:** Citywide

**Recommendation:** Adopt a Resolution 1) approving the use of cooperative purchasing agreements with the authorized vendors listed in Exhibit A for the purchase of information technology related goods and services city-wide, and 2) authorizing the City Manager or designee to issue the required purchase orders under the cooperative purchasing agreements during Fiscal Year (FY) 2011/12

**Contact:** Gary S. Cook, Chief Information Officer, (916) 808-8600; Ignacio Estevez, Program Manager, (916) 808-7349, Information Technology Department

**Presenter:** None

**Department:** Technology

**Division:** Technology Administration

**Dept ID:** 07001011

## **Attachments:**

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- 1-Description/Analysis
- 2-Background
- 3-Resolution
- 4-Exhibit A-Cooperative Vender List

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### **City Attorney Review**

Approved as to Form  
Matthew Ruyak  
6/15/2011 9:35:14 AM

### **City Treasurer Review**

Prior Council Financial Policy Approval or  
Outside City Treasurer Scope  
Russell Fehr  
6/1/2011 11:40:44 AM

### **Approvals/Acknowledgements**

Department Director or Designee: Gary Cook - 6/8/2011 11:36:11 AM

Assistant City Manager: Patti Bisharat - 6/9/2011 10:45:35 AM



## Description/Analysis

**Issue:** The City has ongoing needs to purchase Information Technology (IT) related goods and services. In May 2011, the IT Department conducted its annual review of all citywide IT-related purchases in FY 2010/11. 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 FY 2011/12. 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 FY 2011/12 are listed in Exhibit A to the attached Resolution.

**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 cooperative 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)].

**Sustainability:** Under Phase 1 of the City of Sacramento’s Climate Action Plan, all applicable “Green” technology initiatives will be considered prior to the purchase of IT equipment hardware and software.

**Commission/Committee Action:** Not applicable

**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 FY 2011/12 will not exceed \$6,008,000. This amount is approximately \$1,402,000 less than the amount of \$7,410,000 authorized for FY2010/11 and reflects anticipated lower demand for IT supplies and services in the City due to budgetary constraints and better pricing from vendors due to a slowdown in the economy. At such time that the overall total or individual limit by vendor exceeds the amounts authorized, or in cases involving

unanticipated purchases of IT hardware, software or services, Council authorization will be requested. Funding for the purchases will be made from various departmental operating and CIP budgets through competitive/cooperative purchasing agreements listed in Exhibit A.

**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.



## Attachment 1

### Background

1. Cooperative Purchase Agreements: The use of cooperative 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 cooperative 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 expends 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 contracts 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.

County of Merced Fast Open Contracts Utilization Services (FOCUS) Contract: FOCUS is a nationwide, local government-to-government purchasing program that allows government agencies access to pre-screened, competitively bid vendors in the technology industry. FOCUS is open to any federal, state, county, city, school or special district public jurisdiction.

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

Microsoft Enterprise Agreement: On April 1, 2010, City Council approved the purchase of Microsoft Licenses and Maintenance for a five year period through the use of the County of Riverside's cooperative purchasing agreement (ITARC054). (Reso 2010-167)

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)
- d. Fiscal year 2008/09: IT purchases for an amount not to exceed \$11,185,000 (Reso 2008-434)
- e. Fiscal year 2009/10: IT purchases for an amount not to exceed \$8,610,000 (Reso 2009-417)
- f. Fiscal year 2010/11: IT purchases for an amount not to exceed \$7,410,000 (Reso 2010-362)



**RESOLUTION NO.**

Adopted by the Sacramento City Council

**AUTHORIZING USE OF COOPERATIVE PURCHASING AGREEMENTS FOR INFORMATION TECHNOLOGY RELATED GOODS AND SERVICES DURING FISCAL YEAR 2011/12**

**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, 2007-458, 2008-434, 2009-417, 2010-262). 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 authorization will be requested.

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

- Section 1. The cooperative purchasing agreements listed in Exhibit A are approved for purchase of information technology related goods and services citywide upon City Council adoption of the FY 2011/12 proposed budget.
- 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 in Exhibit A, provided sufficient funds are available in the budget adopted for the applicable fiscal year. The total amount of purchases utilizing the cooperative purchasing agreements is not to exceed \$6,008,000 for Fiscal Year 2011/12.

Section 3. Exhibit A is incorporated and part of this Resolution.

**Table of Contents:**

Exhibit A: Cooperative IT Purchases



## Exhibit A

### Cooperative IT Purchases

Vendor Name	FY2011/12 Not to Exceed Amount	Cooperative Purchase Agreement	Description
AT&T	\$1,300,000	CALNET II	Telephone billing, data lines and signal lines, telecommunication/ network hardware, software purchase, and maintenance.
AT&T Mobility	\$350,000	Western States Contracting Alliance (WSCA) Contract 7-06-70-01	Cellular phone service.
Cisco Systems (authorized resellers: AT&T Datacomm, BEAR Data, Network Integration, Quest Media & Supplies, Western Blue, Metronome, CDW, IBM, AMS.NET, NEC Unified Solutions, Nexus IS, MTM Technology, Evolve Technology Group, Insight Public Sector, Verizon Business Network)	\$800,000	Western States Contracting Alliance (WSCA) Contract AR-233 (CA Participating Addendum 7-08-70-13)  County of Riverside Contract Award RIVCO-20420-002-004  County of Sacramento Contracts WA00023041, WA00023873  County of Merced Fast Open Contracts Utilization Services (FOCUS) Contract 2009177  CalSAVE (Sponsored by the Monterey County Office of Education) (IFB#005B)	Telecommunication/network hardware, software, maintenance and services.
COMPUCOM	\$200,000	County of Riverside (ITARC054) Enterprise Agreement 01E69633, State of California Software Licensing Program (SLP)	Microsoft software/maintenance purchases.
Dell Computer	\$444,000	Western States Contracting Alliance (WSCA) Contract B27160	Routine IT purchases (hardware equipment that includes personal computers, laptops, and related accessories).
DLT Solutions	\$75,000	U.S. General Services Administration (GSA) Contract GS-35F-4543G	Autodesk Software.

Vendor Name	FY2011/12 Not to Exceed Amount	Cooperative Purchase Agreement	Description
EMC (and authorized resellers Kovarus, Northrop Grumman, Verizon Select Services)	\$550,000	WSCA/NASPO #B27161  State of California Strategic Sourcing Contract (#1S-05-70-10)	EMC Hardware, Software and Maintenance.
Hewlett Packard (and authorized resellers Allied Network Solutions, CDWG, PC Focus, Raymar Technology)	\$416,000	Western States Contracting Alliance (WSCA) Contract B27164	Routine IT purchases (hardware equipment that includes printers, servers, personal computers, and monitors).
Howard Technology Solutions	\$85,000	Western States Contracting Alliance (WSCA) Contract B27165	Routine IT purchases (Computer laptops and related accessories and supplies).
IBM	\$85,000	Western States Contracting Alliance (WSCA) Contract B27166	Routine IT purchases (hardware equipment that includes servers, mainframes, and backup systems).
Lenovo	\$168,000	Western States Contracting Alliance (WSCA) Contract B27168	Routine IT purchases (computer laptops and related accessories and supplies). Lenovo is the authorized reseller of IBM computer laptops.
Motorola	\$300,000	Western States Contracting Alliance (WSCA) Contract 02702	Radios, communication equipment and supplies to support public safety.
Motorola	\$35,000	San Diego 2009-10 RCS	Radio equipment parts and spares.
Sprint Nextel Corporation	\$400,000	Western States Contracting Alliance (WSCA) Contract 7-10-70-15	Cellular phone service.
Verizon Wireless	\$800,000	Western States Contracting Alliance (WSCA) Contract 7-10-70-16	Cellular phone service.
<b>Total FY 2011/12</b>	<b>\$6,008,000</b>		