

Meeting Date: 6/18/2013

Report Type: Consent

Report ID: 2013-00466

Title: Purchase/Cooperative Agreement: FY 2013/14 Citywide Information Technology (IT) Related Goods and Services

Location: Citywide

Issue: In May 2013, the IT Department conducted its annual review of all citywide IT-related purchases in FY 2012/13. Based on this annual review, staff has prepared an estimate of the anticipated citywide purchases of a variety of IT-related goods and services for FY 2013/14.

Recommendation: Pass a Motion 1) authorizing the City Manager or his designee to approve the use of cooperative purchasing agreements with Adobe, AT&T, AT&T Mobility, CDW-G, Cisco Systems, Compucom, Dell Computer, DLT Solutions, EMC, Hewlett Packard, Howard Technology Solutions, Lenovo, Motorola, Patriot Technologies, Inc. Sprint Nextel Corporation and Verizon Wireless for the purchase of information technology-related goods and services citywide; and 2) authorizing the City Manager or his designee to issue the required purchase orders for the not-to-exceed amount specified for the vendors under the cooperative purchasing agreements for a total amount not to exceed \$6,935,000 during Fiscal Year 2013/14.

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

Presenter: None

Department: Information Technology

Division: Technology Administration

Dept ID: 07001011

Attachments:

- 1-Description/Analysis
- 2-Background - FY14 Cooperative Agreement
- 3-Exhibit A (Cooperative Vendor List)

City Attorney Review

Approved as to Form
Sheri Chapman
6/11/2013 3:41:44 PM

City Treasurer Review

Reviewed for Impact on Cash and Debt
Janelle Gray
6/5/2013 9:33:22 AM

Approvals/Acknowledgements

Department Director or Designee: Gary Cook - 6/6/2013 2:04:26 PM

James Sanchez, City Attorney

Shirley Concolino, City Clerk

Russell Fehr, City Treasurer

John F. Shirey, City Manager

Description/Analysis

Issue Detail: The City has ongoing needs to purchase Information Technology (IT) related goods and services. In May 2013, the IT Department conducted its annual review of all citywide IT related purchases in FY 2012/13. 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 2013/14. 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 2013/14 are listed in Exhibit A.

Policy Considerations: The recommendations in this report are in accordance with City Code Section 3.56.240 which 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.

Economic Impacts: None.

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 amount requested for FY 2013/14 will not exceed \$6,935,000. At such time that the overall total or individual limit by vendor exceeds the amounts authorized, or in cases involving unauthorized purchases of IT hardware, software or services, Council authorization will be requested. Funding for the purchases will be made from various departmental operating and project 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.

National IPA: All Master agreements are publicly solicited, awarded and administered by a Principal Procurement Agency (a public agency). The National IPA is dedicated to serving City/Local, County and State Governments, Public and Private Educational Institutions and Systems, Special Districts, Government-Education Healthcare Entities as well as Nonprofits.

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)
 - g. Fiscal year 2011/12: IT purchases for an amount not to exceed \$6,008,000 (Reso 2011-384)
 - h. Fiscal year 2012/13: IT purchases for an amount not to exceed \$8,331,000 (Reso 2012-425)

Exhibit A

Cooperative IT Purchases

Vendor Name	FY2013/14 Not to Exceed Amount	Cooperative Purchase Agreement	Description
Adobe (and all authorized resellers includes: Ablegov, Allied Network Solutions, Carahsoft Technology Group, CDW Government LLC, CompuCom Systems, Inc., Dell Marketing L.P., Granite Data Solutions, Taborda Solutions)	\$60,000	State of California Software Licensing Program (SLP) SLP-11-70-0090C – Ablegov SLP-11-70-0027S – Allied SLP -12-70-0064C – Carahsoft SLP 11-70-0025Q – CDW-G SLP-12-70-0013i – Compucom Systems SLP-11-70-0007R - Dell SLP 11-70-0112B – Granite Data Solutions SLP – 11-70-0063F – Taborda Solutions	Adobe software / maintenance purchase
AT&T	\$1,100,000	CALNET II, MSA 1	Telephone billing, data lines and signal lines, telecommunication/ network hardware, software purchase, and maintenance.
AT&T Mobility	\$250,000	Western States Contracting Alliance (WSCA) Contract 7-11-70-17	Cellular phone service.
CDW-G	\$300,000	IPA #083052-01	Routine IT Hardware and services such as personal computers, laptops and servers.
Cisco Systems (and all authorized resellers includes: Allied Network Solutions, Inc. AMS.net, AT&T, BEAR Data Solutions, Inc., CDW Government, LLC, CompuCom Systems, Inc., En Pointe Technologies Sales, Evolve Technology Group, IBM Corporation, Inc,Insight Public Sector, Metronom, MTM Technologies, Network Integration, NECUnified solutions, , Nexus IS, Inc., PC Mall, Quest Media & Supplies, Inc., Verizon Business,	\$1,000,000	Western States Contracting Alliance (WSCA) Contract 7-08-70-13	Telecommunication/netw ork hardware, software, maintenance and services.

Vendor Name	FY2013/14 Not to Exceed Amount	Cooperative Purchase Agreement	Description
Network, Western Blue Corporation			
COMPUCOM	\$100,000	County of Riverside (ITARC054) Enterprise Agreement 01E93134	Microsoft software/maintenance purchases.
Dell Computer	\$650,000	Western States Contracting Alliance (WSCA) Contract B27160	Routine IT purchases (hardware equipment that includes personal computers, laptops, and related accessories).
Dell Computer	\$250,000	State of Montana State and Local Government Master IT Equipment Lease Agreement dated March 1, 2010	Lease of Dell hardware.
DLT Solutions (and all authorized resellers include: Akamai, Archibus, BDNA, Flexera, Inforamtica, Quest Software, Solarwinds, Amazon Web Services, Autodesk, BMC Software, Google, Oracle, Red Hat, Symantec)	\$75,000	U.S. General Services Administration (GSA) Contract GS-35F-4543G	Autodesk Software.
EMC (and all authorized resellers include: Allied Network Solutions, Inc. (ANS), CDW-G, HF Tech Services, Inc., HSB Solutions, Inc., INX LLC, Kovarus, Nexus, NWN, Quest Media and Supplies, SAIC	\$700,000	Western States Contracting Alliance contracts #B27161	EMC Hardware, Software and Maintenance.
Hewlett Packard (and all authorized resellers: ACS, Allied Network Solutions, CDW-G, Dasher, ENS, Entisys, Folsom Technology Group, PC Focus, RayMar Technology)	\$625,000	Western States Contracting Alliance (WSCA) Contract B27164	Routine IT purchases (hardware equipment that includes printers, servers, personal computers, and monitors).
Howard Technology Solutions	\$90,000	Western States Contracting Alliance (WSCA) Contract B27165	Routine IT purchases (Computer laptops and related accessories and supplies).
Lenovo	\$80,000	Western States Contracting Alliance (WSCA) Contract B27168	Routine IT purchases (computer laptops and related accessories and supplies). Lenovo is the

Vendor Name	FY2013/14 Not to Exceed Amount	Cooperative Purchase Agreement	Description
			authorized reseller of IBM computer laptops.
Motorola	\$355,000	Western States Contracting Alliance (WSCA) Contract 02702 County of Sacramento Contract WA00028961. County of Los Angeles Contract MA-IS-1240419-1 County of San Diego Contract 43095 Amendment No. 28	Radios, communication equipment and supplies
Patriot Technologies, Inc.	\$300,000	GSA Contract GS-35F-4363D	Network security equipment, services and software
Sprint Nextel Corporation	\$300,000	Western States Contracting Alliance (WSCA) Contract 7-10-70-15	Cellular phone service.
Verizon Wireless	\$700,000	Western States Contracting Alliance (WSCA) Contract 7-10-70-16	Cellular phone service.
Total FY 2013/14	\$6,935,000		