

Meeting Date: 2/11/2014

Report Type: Consent

Report ID: 2014-00109

Title: Amendment Purchase/Cooperative Agreement: FY2013/14 Citywide Information Technology (IT) Related Goods and Services

Location: Citywide

Issue: The City has ongoing needs to purchase Information Technology (IT) related goods and services.

Recommendation: Pass a Motion 1) authorizing the City Manager or the City Manager's designee to increase the purchase authorization with a) Lenovo by \$300,000 for a new not to exceed amount of \$380,000 and b) Dell Computers by \$300,000 for a new not to exceed amount of \$950,000; and 2) authorizing the City Manager or the City Manager's 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 \$7,535,000 during Fiscal Year 2013/14.

Contact: Ignacio Estevez, IT Manager, (916) 808-7349; Maria MacGunigal, Chief Information Officer, (916) 808-7998, Information Technology Department

Presenter: None

Department: Information Technology

Division: IT Business Management

Dept ID: 07001011

Attachments:

1-Description/Analysis

City Attorney Review

Approved as to Form
Sheri Chapman
2/3/2014 9:49:03 AM

City Treasurer Review

Reviewed for Impact on Cash and Debt
John Colville
1/23/2014 12:22:49 PM

Approvals/Acknowledgements

Department Director or Designee: Maria MacGunigal - 1/30/2014 10:38:06 AM

Description/Analysis

Issue Detail: The City has ongoing needs to purchase Information Technology (IT) related goods and services. On June 18, 2013, the City Council approved the use of cooperative purchasing agreements for the purchase of information technology-related goods and services citywide. A recent comparison of citywide purchases made for personal computer (PCs), computer laptops and associated hardware equipment revealed a new line of Lenovo PCs that offer competitive pricing and extended standard warranty periods. In addition, the City has an increased need to purchase additional PCs and other hardware equipment from Dell Computer. This request is for additional spending authorization with Lenovo and Dell Computers through cooperative purchase agreements.

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: In motion 2013-0162, Council approved cooperative IT purchase agreements with a variety of vendors. IT is requesting an increase of \$300,000 in authorized expenditures with Lenovo for a new not-to-exceed amount of \$380,000, and an increase of \$300,000 in authorized expenditures with Dell Computers for a new not-to-exceed amount of \$950,000. The new total amount requested for FY2013/14 will not exceed \$7,535,000. There is sufficient funding available in the FY2013/14 Information Technology budget for this increase. Purchases made at the request of departments, based on the department's available budgetary resources, will be charged back to the department.

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 CIP budgets through competitive/cooperative purchasing agreements.

| Vendor | FY2013/14 Original Not to Exceed | FY2013/14 Increase Amount | FY2013/14 New Not To Exceed | Cooperative Purchase Agreement | Description |
|--------|----------------------------------|---------------------------|-----------------------------|--|---|
| Lenovo | \$80,000 | \$300,000 | \$380,000 | Western States Contracting Alliance (WSCA) Contract B27168 | Routine IT purchases (hardware equipment that includes personal computers, laptops, and related accessories). |
| Dell | \$650,000 | \$300,000 | \$950,000 | WSCA Contract B27160 | Routine IT purchases (hardware equipment that includes personal computers, laptops, and related accessories). |

Local Business Enterprise (LBE): 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 LBE-qualified vendors when possible.