

**Meeting Date:** 6/23/2015

**Report Type:** Consent

**Report ID:** 2015-00501

**Title: Purchase/Cooperative Agreement: FY2015/16 Citywide Information Technology (IT) Related Goods and Services (Published 06/11/2015 for Review)**

**Location:** Citywide

**Recommendation:** Pass a Motion 1) authorizing the City Manager or his designee to approve the use of cooperative purchasing agreements with Adobe, Anixter, AT&T, AT&T Mobility, CDW-G, Cisco Systems, Compucom, County of Ventura, DecoTech Systems, Inc., Dell Computer, DLT Solutions, EMC, Graybar, Hewlett Packard, Howard Technology Solutions, Kovarus, Lenovo, McGladery, Microsoft, Motorola, Panasonic, Patriot Technologies, Inc. Sprint Nextel Corporation, Verizon Wireless, and VMWare 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 \$9,593,000 during Fiscal Year 2015/16.

**Contact:** Cassy Vaioleti-Matu, Program Analyst, (916) 808-8047, Information Technology Department

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

**Department:** Information Technology

**Division:** IT Business Management

**Dept ID:** 07001011

**Attachments:**

- 1-Description/Analysis
- 2-Background
- 3-Exhibit A

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### **City Attorney Review**

Approved as to Form  
Audreyell A. Anderson  
6/4/2015 1:02:57 PM

### **Approvals/Acknowledgements**

Department Director or Designee: Maria MacGunigal - 6/2/2015 4:19:46 PM

## Description/Analysis

**Issue:** The City has ongoing needs to purchase information technology related goods and services. In May 2015, the Information Technology (IT) Department conducted its annual review of all citywide IT related purchases in FY2014/15. 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 FY2015/16. Staff requests approval and spending authorization to cover the estimated expenditures through the use of cooperative purchasing agreements. If any cooperative agreements listed in Exhibit A expire during this purchase approval period, those agreements may be substituted with the appropriate replacement agreement issued by the same cooperative organization. The cooperative purchasing agreements and vendors that will be used to procure the IT related goods and services for FY2015/16 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 concerns administrative activities that will not have a significant effect on the environment, and does not constitute a “project” as defined by 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 FY2015/16 will not exceed \$9,593,000. 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. Purchases will be made from various departmental operating and capital improvement plan (CIP) budgets through competitive/cooperative purchasing agreements listed in Exhibit A. Funding for the purchases has been included in the FY2015/16 operating and CIP budgets.

**Local Business Enterprise (LBE):** The City's LBE program does not apply to cooperative purchasing agreements that result from another public agency's competitively-bid process.

## 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. As cooperative agreements reach expiration, they are automatically renewed allowing government agencies to continue to leverage cost savings. 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) prices are determined to be fair and reasonable, (2) purchasers are in compliance with all applicable laws and regulations, (3) administrative time is reduced, and (4) a wide selection of state-of-the-art commercial supplies and services is offered.

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 convenience.

State of California Strategic Sourcing Contract: This process is 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.

2. Ongoing 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 28, 2015, City Council approved the purchase of Microsoft licenses and software products for a five year period through the use of the County of Riverside's Cooperative Purchasing Agreement (01E73134). (Motion 2015-00342)

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.
  - a. Fiscal Year 2009/10: not-to-exceed \$8,610,000 (Resolution 2009-417)
  - b. Fiscal Year 2010/11: not-to-exceed \$7,410,000 (Resolution 2010-362)
  - c. Fiscal Year 2011/12: not-to-exceed \$6,008,000 (Resolution 2011-384)
  - d. Fiscal Year 2012/13: not-to-exceed \$8,331,000 (Resolution 2012-425)
  - e. Fiscal Year 2013/14: not-to-exceed \$6,935,000 (Motion 2013-00466)
  - f. Fiscal Year 2014/15: not-to-exceed \$7,445,000 (Motion 2014-00458)

Although annual fluctuations may occur, an average of \$7.5 million has been authorized annually.

The requested amount for Fiscal Year 2015/16 is approximately \$2,000,000 more than the previous year. The additional amount is largely the result of a recent Department of Homeland Security Cyber Resilience Review of the Department of Utilities' Supervisory Control and Data Acquisition (SCADA) system that recommended upgrading the SCADA software and computer network equipment. Additional datacenter and network equipment is also needed at the Police Department section at the 911 datacenter, and new network circuits will replace existing T1 lines at fire stations for better connectivity.

Cooperative IT Purchases

Vendor Name	Amount	Cooperative Purchase Agreement	Description
Adobe (and all authorized resellers)	\$125,000	State of California Software Licensing Program (SLP) SLP-14-70-0090F - Ablegov, Inc. SLP-15-70-0139B - Advanced Technical Solutions, Inc. SLP-14-70-0027B - Allied Network Solutions, Inc. SLP-14-70-0127C - Bridge Micro SLP-14-70-0025X - CDW Government LLC SLP-14-70-0013T - CompuCom Systems, Inc. SLP-14-70-0152A - I.M.P.Group Limited SLP-14-70-0008T - Insight Public Sector, Inc. SLP-14-70-0003Z - SHI International Corp. SLP-14-70-0063K - Taborda Solutions, Inc.	Adobe software / maintenance purchases.
Anixter	\$225,000	The Cooperative Purchasing Network (TCPN) Contract R5136 (Cabling and Networking Products)  TCPN Contract R5166 (Security Services)	Cabling and Networking Products and Services; Security Services.
AT&T	\$1,250,000	CALNET 3, C3-A12-10-TS-01	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 07-11-70-17	Cellular phone services
CDW-G	\$500,000	National IPA Contract 130733-01	Routine IT hardware and services such as personal computers, laptops, and servers.
Cisco Systems: Authorized resellers: AllConnected, CCT Technologies, CDW Government, CompuCom Systems, Development Group, ePlus Technology Inc., En Pointe Technologies Sales, Epoch Universal, Extra Team, GigaKOM, Insight Investments, Insight Public Sector, INX LLC, Kovarus, Minnesota Datalink Corporation, NetXperts,	\$1,145,000	WSCA / National Association of State Procurement Officials (NASPO) Contract 7-14-70-04 (State of Utah AR-233)	Telecommunication/Network hardware, software, maintenance, and services.

Cooperative IT Purchases

Nexus IS, NIC Partners, NWN Corporation, AT&T, PCM Gov, Quest, Resilient Communications, Black Box Network Services, Trace3, St. Louis Based World Wide Technology			
CompuCom Systems, Inc.	\$125,000	County of Riverside Microsoft Master Enterprise Agreement 01E73134  SLP SCA-14-70-0013Y	Microsoft software / maintenance purchases.
County of Ventura	\$110,000	County of Ventura Contract 4667	Gartner Technology Advisory Services
DecoTech Systems, Inc.	\$150,000	WSCA/NASPO B27164-CA	Uninterrupted Power Supply (UPS) System Replacement
Dell Computer	\$1,200,000	WSCA Contract B27160	Routine IT purchases; hardware equipment that includes personal computers, laptops and related accessories.
Dell Computer	\$175,000	State of Montana Master IT Equipment Lease Agreement (RFP10-1910D)	Lease of Dell hardware equipment.
DLT Solutions	\$118,000	U.S. General Services Administration (GSA) Contract GS-35F-4543G	Autodesk software / maintenance purchases.
EMC Authorized resellers include Allied Network Solutions, Inc. (ANS), DDW-G, HF Tech Services, Inc., HSB Solutions, Inc., INX LLC, Kovarus, Nexus, NWN, Quest Media and Supplies, SAIC	\$600,000	WSCA Contract B27161	EMC hardware, software and maintenance.
Graybar	\$225,000	US Communities Contract MA-IS-1340234-4 (Electrical Products)  US Communities Contract MA-IS-1540125-3 (Telecommunications Supplies)	Electrical products and telecommunications supplies and accessories.
HP	\$525,000	WSCA Contract B27164	Routine IT purchases (hardware equipment that includes printers, servers, personal computers, and monitors).
Howard Technologies	\$90,000	WSCA Contract B27165	Routine IT purchases such as Toughbook computer laptops and related accessories and supplies.

Cooperative IT Purchases

Kovarus	\$100,000	State of California Contract 1-13-70-10A, 1-13-70-10B and 1-13-70-14C	Routine entry level and mid-range data storage and Storage Area Network (SAN) supplies.
Lenovo	\$525,000	WSCA Contract B27168	Routine IT purchases such as computer laptops and accessories.
McGladrey	\$100,000	State of California Master Services Agreement 51370002-001-121	Technical services associated with the City's PCI compliance efforts.
Microsoft	\$50,000	State of Minnesota Cooperative Purchasing Venture	Microsoft tablets.
Motorola	\$400,000	WSCA Contract 02702  County of Los Angeles Contract MA-IS-1240419-1  County of San Diego Contract 43095 Amendment No. 28	Radios, communication equipment and supplies.
Panasonic	\$25,000	National Intergovernmental Purchasing Alliance (IPA) 120471	Routine IT Purchases (Toughbook laptops, projectors, AV and Camera equipment and related accessories and supplies).
Patriot Technologies Inc.	\$130,000	GSA Contract GS-35F-4363D	Network security equipment, services and software
Sprint Nextel Corporation	\$300,000	WSCA Contract 7-10-70-15	Cellular phone services
Verizon	\$950,000	WSCA Contract 7-10-70-16	Cellular phone services
VMWare	\$200,000	WSCA PA Contract 7-12-70-21 (EnPointe), 7-12-70-20 (Insight), 7-12-70-19 (SHI)	Software, Software Maintenance and Technical Support
<b>TOTAL</b>	<b>\$9,593,000</b>		