



REPORT TO COUNCIL

City of Sacramento

21

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Consent Report
July 18, 2006

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

Title: Procurement of Computer Supplies and Technical Services through
Co-Operative Purchasing Agreements for Fiscal Year 2006/07

Location/Council District: Citywide

Recommendation: Staff recommends that the City Council adopt the attached
Resolution authorizing the Procurement Services Manager to purchase computer-
related supplies and technical services from Lenovo, IBM, Motorola, Panasonic,
COMPUCOM, Dell Computer, Hewlett Packard, Sun Microsystems, AT&T, Oracle
Corporation, Verizon, Sprint Nextel Corporation, Cingular Wireless, and CDWG through
co-operative purchasing agreements during Fiscal Year 2006/07 for an amount not to
exceed \$11,025,000.

Contact: Karl Rosander, Information Technology Manager, 808-8262
Ignacio Estevez, Program Manager, 808-7349

Presenters: N/A

Department: Information Technology

Division: Administration

Organization No: 1311

Description/Analysis

Issue: In June 2006, the Information Technology (IT) Department conducted a
review of all citywide computer supplies and technical services purchased in FY
2006. That review revealed that the city has historically and routinely purchased
computer-related supplies and services from multiple companies where the
annual expenditures per company exceed \$100,000.

Staff requests spending authorization to purchase citywide computer-related
supplies and technical services through co-operative purchasing agreements
with the following vendors:

Vendor Name	FY-07 amount	Co-operative Purchase Agreement	Description
Lenovo	\$250,000	Western States Contracting Alliance (WSCA)	Routine IT purchases (computer laptops and related accessories and supplies). Lenovo is the authorized reseller of IBM computer laptops.
IBM	\$1,000,000	WSCA	Routine IT purchases (hardware equipment that include servers, mainframes, and backup systems)
Motorola	\$300,000	WSCA	Radios, communication equipment and supplies to support public safety
Panasonic	\$200,000	WSCA (Panasonic products are purchased through WSCA's authorized resellers)	Routine IT purchases (Computer laptops and related accessories and supplies).
COMPUCOM	\$1,250,000	California County Information Services Directors Association (CCISDA) and California Software Licensing Program (SLP)	Microsoft software: \$700,000; Novell software: \$270,000; and mobile data units (MDC) for patrol vehicles: \$220,000, other computer supplies such as server licenses, Microsoft SQL database licenses, Adobe software products: \$60,000.
Dell Computer	\$1,000,000	WSCA	Routine IT purchases (hardware equipment that includes personal computers, laptops, and related accessories)
Hewlett Packard	\$1,200,000	WSCA	Routine IT purchases (hardware equipment that includes printers, servers, personal computers, and monitors).
Hewlett Packard	\$1,400,000	WSCA	Computer hardware infrastructure for Enterprise Resource Planning Project (ERP) and Electronic Document/ Content Management (EDCM)
Sun Microsystems	\$750,000	WSCA	Computer hardware infrastructure for ERP.
AT&T	\$1,500,000	CALNET	Telephone billing, data lines and signal lines, Voice-over-IP hardware purchase
Oracle Corporation	\$325,000	California Multiple Award Schedules (CMAS)	Oracle software maintenance for City's Mainframe and Customer Information System (CIS)
Verizon	\$500,000	California Contract for Wireless Service (1S-05-58-02)	Cellular phone service
Sprint Nextel Corporation	\$600,000	California Contract for Wireless Service(1S-05-58-01)	Cellular phone service
Cingular Wireless	\$600,000	WSCA	Cellular phone service
CDWG	\$150,000	CMAS	Routine IT purchases (hardware/software)
Total FY 2006/07	\$11,025,000		

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)].

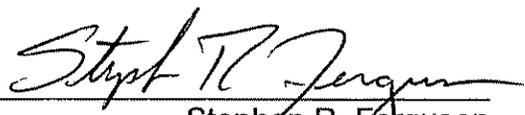
Rationale for Recommendation:

When the City uses cooperative buying, it enables Purchasing Services to evaluate a broader range of contracting opportunities, deploy staff resources to achieve the greatest return on time invested, and benefit from sharing resources with other participating institutions. One of the greatest benefits of cooperative buying is that the City receives favorable pricing due to large volume purchases through these contracts. The average cost saving the City receives with these cooperative contracts is estimated to be a minimum of 10%. An additional benefit of cooperative buying is that Purchasing Services utilizes regional and national cooperative buying relationships to compliment its own annual contracting initiatives. Cooperative buying enables Purchasing Services to leverage internal and external resources to maximize cost saving opportunities

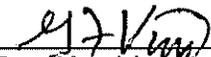
Financial Considerations: The total requested amount will not exceed \$11,025,000. At such time as when the overall total or individual limit by company exceeds the amounts in this resolution, or in cases involving unanticipated purchases of IT hardware, software or services, individual Council requests will be made. The \$11,025,000 co-operative purchase authorization requested for computer related purchases were included in the department's approved FY 2006/07 budget, typically in object codes 4462, 4463, 4464, 4465, 4466, and 4467.

Emerging Small Business Development (ESBD): 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**

- A. This report and resolution has been prepared to ensure that City Council is aware of the overall levels of Information Technology (IT) purchases citywide and that we are in compliance with the Council's directive that all purchases from a single company that exceed \$100,000 cumulatively be reviewed and approved. Initially, City Council reviewed purchasing practices and approved the use of cooperative purchase agreements in 1974. In 1996 City Council approved the use of co-operative agreements for purchase of routine IT goods and services. (Resolution number 96-362). In September 2005, City Council again approved staff's recommendation to purchase computer hardware, software, and services through co-operative purchasing agreements. (Resolution 2005-673)
- B. When the City uses cooperative buying, it enables Purchasing Services to evaluate a broader range of contracting opportunities, deploy staff resources to achieve the greatest return on time invested, and benefit from sharing resources with other participating institutions. One of the greatest benefits of cooperative buying is that the City receives favorable pricing due to large volume purchases through these contracts. The average cost saving the City receives with these cooperative contracts is estimated to be a minimum of 10%. An additional benefit of cooperative buying is that Purchasing Services utilizes regional and national cooperative buying relationships to compliment its own annual contracting initiatives. Cooperative buying enables Purchasing Services to leverage internal and external resources to maximize cost saving opportunities.
- C. At the end of each 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. In certain situations where the overall total or individual limit by company exceeds the amounts listed in the attached resolution, or in cases involving unanticipated purchases of IT hardware, software or services, individual Council report requests will be prepared.

RESOLUTION NO.

Adopted by the Sacramento City Council

**AUTHORIZING THE PROCUREMENT SERVICES MANAGER TO PURCHASE
COMPUTER-RELATED SUPPLIES AND TECHNICAL SERVICES THROUGH CO-
OPERATIVE PURCHASING AGREEMENTS DURING FISCAL YEAR 2006/07 FOR AN
AMOUNT NOT TO EXCEED \$11,025,000**

BACKGROUND

- A. Sacramento City Code section 3.56.240 authorizes the use of co-operative purchasing agreements approved by the City Council for the purchase of supplies or nonprofessional services.
- B. In 1996 City Council approved the use of co-operative agreements for purchase of routine IT goods and services (Resolution number 96-362). In September 2005, City Council again approved staff's recommendation to purchase computer hardware, software, and services through co-operative purchasing agreements (Resolution 2005-673).
- C. The purchase of citywide computer-related goods and services through co-operative purchasing agreements requires City Council approval.

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

- Section 1. The City Manager, or authorized designee, is hereby authorized to purchase citywide computer-related supplies and technical services through co-operative purchasing agreements with the following vendors in the amounts listed below. The total amount for Fiscal Year 2006/07 shall not exceed \$11,025,000.

Vendor Name	FY-07 amount	Co-operative Purchase Agreement	Description
Lenovo	\$250,000	Western States Contracting Alliance (WSCA)	Routine IT purchases (computer laptops and related accessories and supplies). Lenovo is the authorized reseller of IBM computer laptops.
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