



REPORT TO COUNCIL City of Sacramento

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

CONSENT
August 9, 2005

Honorable Mayor and
Members of the City Council

Subject: Purchase: Consolidated Computer Hardware and Software Products and Services for Fiscal Year 2006

Location/Council District: Citywide

Recommendation: (2/3 Vote Required)

Adopt a Resolution 1) Suspending City competitive bidding and 2) authorizing the Procurement Services Manager to purchase FY-2006 computer hardware and software products and services through cooperative purchase agreements for a combined amount not-to-exceed \$7,000,000.

Contact: Karl Rosander, Information Technology Manager, 808-8262
Sandra Haslin, Information Technology Manager, 808-7990

Presenters: N/A

Department: Information Technology

Division: Technical Support Services and Applications

Organization No: 1337

Summary:

This report recommends that the City Council adopt the attached resolution suspending competitive bidding and authorizes the Procurement Services Manager to purchase computer hardware and software products and services through cooperative purchase agreements for a combined amount not to exceed \$7,000,000 through June 30, 2006. Such purchases will be acquired through the use of cooperative/competitive purchasing agreements as indicated below, or through similar cooperative purchasing contracts developed through a competitive bidding process:

- Western States Contracting Alliance (WSCA)
- California Multiple Awards Schedule (CMAS)
- California Integrated Information Network (CALNET)
- Software Licensing Program (SLP)

- Master Licensing Agreement (MSA)
- U.S. Communities Government Purchasing Alliance (U.S. Communities)
- Houston-Galveston Area Council (H-GAC)

Additionally, it is recommended that the City Council authorize the continued use of contracts with the following manufacturers and Value Added Resellers (VAR) that are not covered under a cooperative purchasing agreement (above), but whose contracts have been developed according to City Policy requirements: Computer Associates, ESRI Inc., Integrity Data and Fiber, Allied Network Solutions, DLT Solutions, and Xerox Corporation. In these cases, the companies are providing on-going licenses and maintenance for hardware and software previously approved by City Council for purchase.

Committee/Commission Action: None

Background Information:

In June 2005, the Information Technology (IT) Department conducted a review of all citywide computer hardware, services and software purchases over the last few years. That review revealed that the city has historically purchased computer hardware, services and software from multiple companies where the annual expenditures per company exceed \$100,000. This report and resolution has been prepared to be sure that Council is aware of the overall levels of IT purchases citywide and to comply with Council directive that all purchases with a single company that exceed \$100,000 annually be reviewed and approved.

It is staff's intent to review IT purchases at the end of each fiscal year, 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. There may be other cases where separate reports/resolutions are prepared where IT purchases exceed \$100,000. Typically these are associated with special projects, capital improvement projects or other unforeseen needs. These requests will be handled on a case by case basis as they have been in the past using either cooperative agreements, competitive request for proposals (RFP), or competitive bids.

Staff concluded from the review of FY 03, 04, and 05 purchases, and FY 06 approved budgets, that the City will spend an estimated \$7,000,000 for computer hardware, software, and services requirements for FY-06.

In July 2005, staff members from the IT Department, Procurement Services Division, and the City Auditor's Office met to discuss the best methods for acquiring computer products and services. To better consolidate citywide IT requirements, allow for a more efficient and timely response to City IT services and requirements, and to take advantage of competitive larger-volume purchases, staff recommends the following:

Purchase: Consolidated Computer Hardware and Software Products August 9, 2005
and Services for Fiscal Year 2006

- To better gain efficiencies and to consolidate spending authorization requests over \$100,000 with various vendors, one annual consolidated Council report shall be submitted each fiscal year to request spending authority for computer related costs by contract type and/or by vendor name.
- As may be required by procurement guidelines and whenever possible, computer related purchases should be coordinated through participating vendors from the following cooperative/competitive purchasing agreements, or similar contracts developed through a competitive bidding process:
 - Western States Contracting Alliance (WSCA)
 - California Multiple Awards Schedule (CMAS)
 - California Integrated Information Network (CALNET)
 - Software Licensing Program (SLP)
 - Master Licensing Agreement (MSA)
 - U.S. Communities Government Purchasing Alliance (U.S. Communities)
 - Houston-Galveston Area Council (H-GAC)
- Various VARs may participate in the above cooperative agreements. To create an equal opportunity environment, every effort will be made to spread business opportunities among these various vendors and certified Emerging/Small Business Enterprises authorized to sell products and/or services.

The FY-06 cost estimate of \$7,000,000 is intended to include computer related purchases for normal day-to-day City business. The following is a cost estimate by major vendors the City intends to do business with, but is not intended to limit other vendors from competing for the City's business:

Company Name	Hardware	Software	Services	Projected amount
COMPUCOM Systems, Inc		X		\$ 500,000
Dell Computer Corporation	X			\$ 600,000
Hewlett Packard	X			\$ 1,175,000
IBM Corporation	X	X	X	\$ 1,500,000
Marketware Technologies		X		\$ 500,000
SBC	X	X	X	\$ 1,500,000
TOTAL:				\$ 5,775,000

Additionally, it is anticipated that the City of Sacramento intends to purchase computer related products and services with the following vendors and VARs that are not covered under a cooperative purchasing agreement (above), but have met the City's legal policy requirements for contracting:

Company Name	Hardware	Software	Services	Projected amount
Computer Associates		X	X	\$ 300,000
ESRI Inc.		X	X	\$ 200,000
Integrity Data & Fiber	X		X	\$ 250,000
Xerox Corporation	X		X	\$ 150,000
Allied Network Solutions	X	X		\$ 200,000
DLT Solutions Inc.		X		\$ 125,000
Total				\$ 1,225,000

The benefit of cooperative buying is that the City can utilize regional and national cooperative buying relationships to compliment its own annual contracting initiatives. Cooperative buying enables the City to evaluate a broader range of contracting opportunities, deploy staff resources to highest yield and priority initiatives, and benefit from shared resources with other participating institutions. Cooperative buying also enables the City to leverage internal and external resources to maximize cost savings opportunities.

The IT Department will continue to help coordinate and assist all City citywide departments with computer related purchases and services.

Financial Considerations:

The total estimated cost for all computer hardware and software products and services acquired under this authorization will not exceed \$7,000,000 for FY-06. At such time as when the overall total or individual limit by company is exceeded or Funding will come directly from approved FY-06 organizational budgets, Capital Improvement Projects budgets, or as may otherwise be budgeted and approved by the City Council. Citywide departments will incur computer related purchases under their approved FY-06 budget. Typically these expenditures are budgeted in department object codes 4462, 4463, 4464, 4465, 4466, and 4467.

Environmental Considerations:

None

Policy Considerations:

The recommendations in this report are in accordance with the following provisions of City Code:

- Section 3.56.230: Authorizes suspension of formal competitive bidding upon a two-thirds vote of the City Council; and
- Section 3.56.240: Authorizes the City Manager to utilize cooperative purchasing agreements approved by the City Council to purchase supplies or nonprofessional services through legal contract of other governmental jurisdictions or public agencies without separate competitive bidding by the City.

Also, this recommendation is in conformance with the goals, objectives, initiatives and operating principles of the City's Information Technology Strategic Plan. In particular, this recommendation is in accordance with Goal #2, which is, "City employees are provided with the highest quality information technology customer service and support."

Emerging Small Business Development (ESBD):

All effort will be made to encourage and utilize certified ESBE vendors when possible.

Respectfully Submitted by: Karl Rosander, IT Manager

Approved by: 
Christopher Stewart
Procurement Services Manager

Approved by: 
Stephen R. Ferguson
Chief Information Officer

Recommendation Approved:


ROBERT P. THOMAS
City Manager

Table of Contents:

Pg 1-5 Report
Pg 6-9 Resolution

RESOLUTION NO.

Adopted by the Sacramento City Council

SUSPENDING COMPETITIVE BIDDING AND APPROVING THE PURCHASE OF COMPUTER HARDWARE AND SOFTWARE PRODUCTS AND SERVICES FOR AN AMOUNT NOT TO EXCEED \$7,000,000 FOR FY-2006

BACKGROUND

- A. In June 2005, the Information Technology (IT) Department conducted a review of all citywide computer hardware, services and software purchases over the last few years. That review revealed that the city has historically purchased computer hardware, software, and services from multiple companies where the annual expenditures per company exceed \$100,000. This report and resolution has been prepared to be sure that Council is aware of the overall levels of IT purchases citywide and to comply with Council directive that all purchases with a single company that exceed \$100,000 annually be reviewed and approved.
- B. It is staff's intent to review IT purchases at the end of each fiscal year, 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. There may be other cases where separate reports/resolutions are prepared where IT purchases exceed \$100,000. Typically these are associated with special projects, capital improvement projects or other unforeseen needs. These requests will be handled on a case by case basis as they have been in the past using either cooperative agreements, competitive request for proposals (RFP), or competitive bids.
- C. Staff concluded from the review of FY 03, 04, and 05 purchases, and FY 06 approved budgets, that the City will spend an estimated \$7,000,000 for computer hardware, software, and services requirements for FY-06.
- D. In July 2005, staff members from the IT Department, Procurement Services Division, and the City Auditor's Office met to discuss the best methods for acquiring computer products and services. To better consolidate citywide IT requirements, allow for a more efficient and timely response to City IT services and requirements, and to take advantage of competitive larger-volume purchases, staff recommends the following:
- To better gain efficiencies and to consolidate spending authorization requests over \$100,000 with various vendors, one annual consolidated Council report shall be submitted each fiscal year to request spending authority for computer related costs by contract type and/or by vendor name.

- As may be required by procurement guidelines and whenever possible, computer related purchases should be coordinated through participating vendors from the following cooperative/competitive purchasing agreements, or similar contracts developed through a competitive bidding process:
 - Western States Contracting Alliance (WSCA)
 - California Multiple Awards Schedule (CMAS)
 - California Integrated Information Network (CALNET)
 - Software Licensing Program (SLP)
 - Master Licensing Agreement (MSA)
 - U.S. Communities Government Purchasing Alliance (U.S. Communities)
 - Houston-Galveston Area Council (H-GAC)
- Various VARs may participate in the above cooperative agreements. To create an equal opportunity environment, every effort will be made to spread business opportunities among these various vendors and certified Emerging/Small Business Enterprises authorized to sell products and/or services.

The FY-06 cost estimate of \$7,000,000 is intended to include computer related purchases for normal day-to-day City business. The following is a cost estimate by major vendors the City intends to do business with, but is not intended to limit other vendors from competing for the City's business:

Company Name	Hardware	Software	Services	Projected amount
COMPUCOM Systems, Inc		X		\$ 500,000
Dell Computer Corporation	X			\$ 600,000
Hewlett Packard	X			\$ 1,175,000
IBM Corporation	X	X	X	\$ 1,500,000
Marketware Technologies		X		\$ 500,000
SBC	X	X	X	\$ 1,500,000
TOTAL:				\$ 5,775,000

- E. Additionally, it is anticipated that the City of Sacramento intends to purchase computer related products and services with the following vendors and VARs that are not covered under a cooperative purchasing agreement (above), but have met the City's legal policy requirements for contracting:

Company Name	Hardware	Software	Services	Projected amount
Computer Associates		X	X	\$ 300,000
ESRI Inc.		X	X	\$ 200,000
Integrity Data & Fiber	X		X	\$ 250,000
Xerox Corporation	X		X	\$ 150,000
Allied Network Solutions	X	X		\$ 200,000
DLT Solutions Inc.		X		\$ 125,000
Total				\$ 1,225,000

- F. The benefit of cooperative buying is that the City can utilize regional and national cooperative buying relationships to compliment its own annual contracting initiatives. Cooperative buying enables the City to evaluate a broader range of contracting opportunities, deploy staff resources to highest yield and priority initiatives, and benefit from shared resources with other participating institutions. Cooperative buying also enables the City to leverage internal and external resources to maximize cost savings opportunities.
- G. The IT Department will continue to help coordinate and assist all City citywide departments with computer related purchases and services.

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

- Section 1. City competitive bidding is hereby suspended for the purchase of FY-06 computer hardware and software products and services.
- Section 2. The Procurement Services Manager is authorized to purchase computer hardware and software products and services for a combined amount not to exceed \$7,000,000 through June 30, 2006. Such purchases will be acquired through the use of cooperative/competitive purchasing agreements as indicated below, or through similar cooperative purchasing contracts developed through a competitive bidding process:
- Western States Contracting Alliance (WSCA)
 - California Multiple Awards Schedule (CMAS)
 - California Integrated Information Network (CALNET)
 - Software Licensing Program (SLP)
 - Master Licensing Agreement (MSA)
 - U.S. Communities Government Purchasing Alliance (U.S. Communities)
 - Houston-Galveston Area Council (H-GAC)

The following is a cost estimate by major vendors (that have existing cooperative/competitive purchasing agreements) that the City intends to do business with, but is not intended to limit other vendors from competing for the City's business:

Company Name	Hardware	Software	Services	Projected amount
COMPUCOM Systems, Inc		X		\$ 500,000
Dell Computer Corporation	X			\$ 600,000
Hewlett Packard	X			\$ 1,175,000
IBM Corporation	X	X	X	\$ 1,500,000
Marketware Technologies		X		\$ 500,000
SBC	X	X	X	\$ 1,500,000
TOTAL:				\$ 5,775,000

Purchase: Consolidated Computer Hardware and Software Products August 9, 2005
 and Services for Fiscal Year 2006

Section 3. In addition to the above, the Procurement Services Manager is authorized to purchase computer related products and services with the following manufacturers and Value Added Resellers that are not covered under a cooperative purchasing agreement (above), but have met the City's legal policy requirements for contracting:

Company Name	Hardware	Software	Services	Projected amount
Computer Associates		X	X	\$ 300,000
ESRI Inc.		X	X	\$ 200,000
Integrity Data & Fiber	X		X	\$ 250,000
Xerox Corporation	X		X	\$ 150,000
Allied Network Solutions	X	X		\$ 200,000
DLT Solutions Inc.		X		\$ 125,000
Total				\$ 1,225,000