

## RESOLUTION NO. 2006-308

Adopted by the Sacramento City Council

May 9, 2006

**AMENDING RESOLUTION 2005-673 AUTHORIZING THE  
PROCUREMENT SERVICES MANAGER TO INCREASE THE  
PREVIOUSLY AUTHORIZED AMOUNT OF \$5,825,000 BY  
\$570,000 FOR A NEW TOTAL OF \$6,395,000 TO PURCHASE  
COMPUTER PRODUCTS AND TECHNICAL SERVICES THROUGH  
CO-OPERATIVE PURCHASE AGREEMENTS DURING FISCAL YEAR 2005/06**

### BACKGROUND

- A. In September 2005, City Council approved the purchase of computer hardware and software products, and technical services to cover ongoing agreements for annual maintenance and/or licenses through a consolidated report that also included sole source vendors in an amount not to exceed \$7,000,000 for FY 2005/06. That report was prepared to be sure that City Council was aware of the overall levels of 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.
- B. The following tables show the changes requested in co-operative agreement spending authorization previously approved in Resolution 2005-673. The City will make routine IT purchases from these companies during FY 2005/06 in amounts less than that shown in column four "Total Approved Amount."

**TABLE 1: Co-operative Purchases with Contract Increases/changes for FY2005/06**

Vendor Name	Previously Approved amount	Amount of Increase/ Decrease	Total Approved Amount	Co-operative/competitive Agreement
Lenovo	0	\$500,000	\$500,000	WSCA (Western States Contracting Alliance) (no increase, Lenovo is a subsidiary of IBM). This is just to re-vise name of payee.
IBM	\$1,500,000	(\$500,000)	\$1,000,000	WSCA (reduced to off-set purchases with Lenovo)
County of Sacramento	0	\$120,000	\$120,000	County agreements for database access
Motorola	0	\$300,000	\$300,000	WSCA
Panasonic	0	\$150,000	\$150,000	WSCA (purchases through several authorized resellers)
<b>Co-operative Increase:</b>	<b>\$1,500,000</b>	<b>\$570,000</b>	<b>\$2,070,000</b>	

**TABLE 2: Co-operative Purchases without Contract Increases for FY 2005/06**

Vendor Name	Previously Approved amount	Amount of Increase	Total Approved Amount	Co-operative/competitive Agreement
COMPUCOM	\$500,000	0	\$500,000	California County Information Services Directors Association (CCISDA)
Dell Computer	\$500,000	0	\$500,000	WSCA
Hewlett Packard	\$1,200,000	0	\$1,200,000	WSCA
Marketware Technologies	\$500,000	0	\$500,000	State of California Software Licensing Program
SBC	\$1,500,000	0	\$1,500,000	CALNET
Oracle Corporation	\$125,000	0	\$125,000	California Multiple Award Schedules (CMAS)
<b>Total FY 2005/06 Co-operative Increase:</b>	<b>\$5,825,000</b>	<b>\$570,000</b>	<b>\$6,395,000</b>	

C. Below is justification to support the purchase limit increases listed in TABLE 1 above:

- Lenovo: To purchase computer products and supplies through a WSCA negotiated contract with Lenovo. Lenovo is a technology company that was recently formed as a branch under IBM. Lenovo is the authorized reseller of IBM's personal computers and laptop computers. IBM's previous authorized amount will be reduced from \$1,500,000 to \$1,000,000, and Lenovo will increase to \$500,000. No net increase of authorized purchases between IBM and Lenovo.
- IBM: To purchase computer products and supplies through a WSCA negotiated contract. IBM's previous authorized amount of \$1,500,000 will be reduced to \$1,000,000, and Lenovo will be increased to \$500,000. No net increase of authorized purchases between IBM and Lenovo.
- County of Sacramento: To purchase maintenance and access to County of Sacramento databases that support Law Enforcement (CJIS, JIMS), Web GIS, and Property Database systems, for an amount not-to-exceed \$120,000. The City has purchased these services for several years. This is the first time that these purchases have exceeded \$100,000 in a fiscal year.
- Motorola: To purchase Motorola radios, communication equipment, and supplies to support public safety communication through a WSCA negotiated contract, for an amount not-to-exceed \$250,000. This amount has increased due to the changes in Public Safety staffing, the new communications center and expansion of other programs like Code Enforcement.

- Panasonic: To purchase Panasonic computer products and supplies through a WSCA negotiated contract, for an amount not-to-exceed \$150,000. Panasonic products may be purchased through WSCA'S authorized resellers for Panasonic products.
- D. The alternative to presenting this request in a consolidated fashion would be for City staff to prepare multiple reports on a weekly basis requesting Council approval for routine small dollar value purchases. In addition, other advantages the City would gain through this method of procurement are:
- Efficiencies in staff resources in developing, processing, and administering bids and reports;
  - Favorable pricing from established co-operative purchasing agreements; and
  - Following industry's best practices in streamlining the procurement processes.
- E. When the City uses co-operative buying, it enables the Procurement Services Division 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 co-operative buying is that the City receives favorable pricing due to large volume purchases through these contracts. An additional benefit of co-operative buying is that Procurement Services utilizes regional and national co-operative buying relationships to compliment its own annual contracting initiatives. Co-operative buying enables Procurement Services to leverage internal and external resources to maximize cost saving opportunities.
- F. At the end of each fiscal year, staff intends to 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. There still will be special situations where separate reports/resolutions are prepared when an IT purchase from a single vendor will 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 and presented to City Council as they have been in the past. These special cases may include purchases through either cooperative agreements, competitive request for proposals (RFP), or competitive bids.

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

- Section 1. Resolution 2005-673 is amended authorizing the Procurement Services Manager to increase the previously authorized amount of \$5,825,000 by \$570,000 for a new total of \$6,395,000 to purchase computer products and technical services through co-operative purchase agreements with the vendors listed below during Fiscal Year 2005/06:

- **Lenovo:** To purchase computer products and supplies through a WSCA negotiated contract for an amount not-to-exceed \$500,000.
- **IBM:** To purchase computer products and supplies through a WSCA negotiated contract. IBM's previous authorized amount of \$1,500,000 is reduced to \$1,000,000.
- **County of Sacramento:** To purchase maintenance and access to County of Sacramento databases that support Law Enforcement (CJIS, JIMS), Web GIS, and Property Database systems, for an amount not-to-exceed \$120,000.
- **Motorola:** To purchase Motorola radios, communication equipment, and supplies to support public safety communication through a WSCA negotiated contract, for an amount not-to-exceed \$250,000.
- **Panasonic:** To purchase Panasonic computer products and supplies through a WSCA negotiated contract, for an amount not-to-exceed \$150,000.

Adopted by the City of Sacramento City Council on May 9, 2006 by the following vote:

Ayes: Councilmembers Cohn, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Vice Mayor Fong.

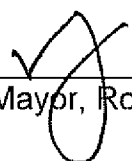
Noes: None.

Abstain: None.

Absent: Mayor Fargo.

Attest:

  
 Shirley Concolino, City Clerk

  
 Vice Mayor, Robert King Fong