

Agenda Report

June 27, 2016

TO: Honorable Mayor and City Council

FROM: Department of Information Technology

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH CDW GOVERNMENT, INC. FOR THE PURCHASE OF INFORMATION TECHNOLOGY PRODUCTS AND SUPPLIES

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed contract is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b)(3);
2. Authorize the Interim City Manager to enter into a contract with CDW Government, Inc. for the purchase of information technology products and supplies as described in this Agenda Report in an amount not to exceed \$1,520,000 for the period of July 1, 2016 to August 15, 2018. Competitive Bidding is not required pursuant to City Charter Section 1002(H) contracts with other governmental entities or their contractors for labor, materials, supplies or services; and
3. Grant the proposed contract an exemption from the Competitive Selection process pursuant to Pasadena Municipal Code Section 4.08.049(B) contracts for which the City's best interests are served.

BACKGROUND:

The Department of Information Technology (DoIT) purchases technology equipment and supplies, including desktop computers, laptops, tablets, monitors, printers, peripherals and software on behalf of all City departments. For the current fiscal year, DoIT has purchased over \$435,000 in technology equipment and supplies. A bulk of these purchases totaling over \$268,000 is for the Desktop Replacement Program (DRP). The purpose of this program is to regularly replace aging desktop and laptop computers with reliable and modern equipment. On June 2, 2014, City Council approved a two-year purchase order contract with Hewlett-Packard for the purchase of equipment related to the DRP that recently expired.

In addition to purchases for the DRP, DoIT also makes many other technology related purchases on behalf of other City departments. These requests come up, as needed, throughout the year and have been fulfilled through various means, such as using a City Purchasing Card and numerous purchase orders with multiple vendors. For this fiscal year, the volume of purchases related to City department requests and the DRP has produced approximately 450 unique transactions with 15 vendors, and staff believes that this trend will only increase in the near future. Given this, staff has recognized the value in aggregating as many of these purchases as possible into a single contract where DoIT can take advantage of volume pricing discounts, which are typically offered through government awarded contracts that capitalize on the needs of multiple jurisdictions. In addition to the pricing benefit, DoIT will also be able to better manage and monitor product ordering and on-premise inventory levels to reduce the number of single product transactions, and anticipate and fulfill department requests in a more efficient and timely manner.

Therefore, in an effort to obtain optimum pricing, reduce the administrative overhead required to procure technology products and supplies from multiple vendors, and streamline the ordering process, staff recommends piggybacking on a competitively selected government contract, 130733, between the City of Tucson and CDW Government, Inc. (CDW-G) which was negotiated in partnership with the National Intergovernmental Purchasing Alliance (IPA). Pasadena has been a registered participating public agency in National IPA since 2007, which allows the City to take advantage of contracts like these that provide the best prices available to state and local governments. The solicitation for this contract was advertised nationwide and four proposals were received from the following companies: CDW-G, En Pointe Technologies, GBH Communications, and Intertech. Based on the scoring established in the solicitation, CDW-G was the top ranked firm, and the contract was executed with an effective date of August 18, 2013. It expires on August 17, 2018, should all the optional renewals be executed by the City of Tucson. The contract provides for product discounts off the verifiable price index ranging from 2 percent to 20 percent depending on the product category. These discounts are not subject to any minimum annual purchase amounts, and will apply to newer product models that become available during the contract term. Finally, additional volume-based discounts below those stated in the contract may be negotiated in working with CDW-G directly.

The table below summarizes technology purchases made by DoIT for the current fiscal year, and those estimated over the period of the contract beginning July 1, 2016 through August 17, 2018:

Category	FY 2016	QTY	FY 2017	QTY	FY 2018 /	
					FY 2019	QTY
Desktops, Laptops, Tablets and Peripherals	\$ 268,823	325	\$ 705,000	765	\$ 380,000	450
Monitors	\$ 77,117	301	\$ 125,000	565	\$ 80,000	340
Printers	\$ 34,248	41	\$ 35,000	40	\$ 40,000	45
Software	\$ 30,000	100	\$ 30,000	100	\$ 35,000	113
Miscellaneous Computing Accessories	\$ 25,258		\$ 35,000		\$ 55,000	
Total:	\$ 435,447		\$ 930,000		\$ 590,000	
Total Not to Exceed thru 8/17/18: \$1,520,000						

In FY 2017, approximately 265 public computers in all Libraries and Community Centers are anticipated to be replaced through the Desktop Replacement Program. Additionally, 60 mobile data computers in Police vehicles are recommended for replacement through a new capital project. Both of these combined, explains the higher cost and quantity counts in the table above.

CDW-G has been a reliable technology equipment vendor with the City for years. In FY 2016 one purchase order contract for \$74,999 was established under the same government contract. Their extensive product listing along with a robust online self-service product portal that will be specifically tailored to reflect all the City's standard technology products and pricing for ease of ordering and tracking will greatly enhance internal efficiency and service to other City departments.

COUNCIL POLICY CONSIDERATION:

This proposed contract with CDW Government, Inc. promotes the City Council's goal to improve, maintain and enhance public facilities infrastructure by providing a high quality of public service, which adds to the quality of life in the City and increases its attractiveness through more efficient management of resources.

ENVIRONMENTAL ANALYSIS:

The proposed contract is exempt from the CEQA per section 15061 (b) (3), the General Rule. The General Rule can be applied when it can be seen with certainty that the activity will not have a significant effect on the environment. The proposed action provides for replacement of, and additions to, information technology equipment, and will not result in any new development or physical changes.


FISCAL IMPACT:

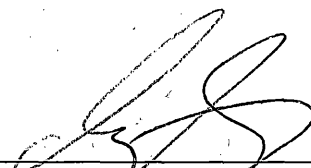
The maximum cost of this action will be \$1,520,000. Funding for this action will be addressed by the utilization of annual budgeted appropriations in the Desktop Replacement Program accounts, 50114009-810900 and 50114009-810800, which currently totals \$346,565 for FY 2017. Additional funding will be addressed by the utilization of existing budgeted appropriations in various City department accounts and capital projects that are provided by department staff when technology products and supplies are requested throughout the year. It is anticipated that approximately \$930,000 of the cost will be spent in FY 2017. The remainder of the cost will be spent in FY 2018 and FY 2019. There are no indirect or support costs anticipated as a result of this contract.

The following table presents an overall contract summary.

FY 2017 Contract Amount	\$ 930,000
Future Contract Amount	\$ 590,000
Total Fiscal Impact	\$ 1,520,000

Respectfully submitted,


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Approved by:


STEVE MERMELL
Interim City Manager