



Agenda Report

March 22, 2010

TO: Honorable Mayor and City Council
FROM: Department of Information Technology
SUBJECT: AUTHORIZATION TO ENTER INTO CONTRACT WITH COMPUCOM SYSTEMS, INC. FOR LICENSING OF MICROSOFT SOFTWARE

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the contract is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3);
2. Authorize the City Manager to enter into a contract with CompuCom Systems, Inc. for the City's licensing of Microsoft software in an amount not to exceed \$854,109 with an annualized allocation of \$284,703, for the period from April 1, 2010 to March 31, 2013. The proposed contract is exempt from competitive bidding pursuant to City Charter section 1002 [H], contracts with other government entities or their contractors; and
3. Grant the proposed contract an exemption from the competitive selection process of Competitive Bidding and Purchasing Ordinance pursuant to Pasadena Municipal Code Section 4.08.049 (B), contracts for which the City's best interest are served.

BACKGROUND:

In January of 2002, the County of Riverside led a California County Information Services Directors Association (CCISDA) initiative to provide a more cost effective license management program for participating California state and local governments. The initiative produced a Request for Proposal (RFP) put forth by the County of Riverside. CCISDA evaluated the responses and recommended five Microsoft Large Account Resellers (LARs) to be awarded a statewide contract for any government entity to enroll through a Master Microsoft Enterprise Agreement (EA). In January 2010, County of Riverside selected CompuCom, one of five LARs awarded the CCISDA Enterprise Agreement bid, to serve as its contract vendor.

The City's enrollment in the Enterprise Agreement provides flexibility and standardizing the Microsoft products. The agreements will:

- Streamline administration of citywide software licensing requirements
- Provide volume discounting and entitlement to discounts on future licensing renewals
- Ensure technical support and upgrade protection
- Assist the annual budget planning forecast of software licensing; and
- Ensure that City desktops and servers covered under the contract are in compliance with licensing requirements

With the current Enterprise Agreement expiring in March 2010, the Department of Information Technology (DoIT) staff sought out Microsoft to research options for the City's desktop computing and server software. The scope excludes desktops and servers for the Department of Libraries and Information Services since the Academic Select Agreement (ASA) available to the library provides significant software discounts under the designation as an academic institution.

IT recommends a three year Enterprise Agreement (EA) with CompuCom based on CompuCom's experience in handling complex licensing requirements for local governments. The proposed contract amounts to \$854,109. The EA calls for an annual licensing cost of \$284,703 for each year of the three year agreement. The pricing reflects the 1.5% savings available through the Riverside County Master Enterprise Agreement. These payments are calculated based on the number of clients enrolled in each agreement and is subject to change as needed for new licensing from future purchases of additional equipment.

COUNCIL POLICY CONSIDERATION:

As mentioned above, the agreement provides an annual budget planning forecast of software licensing at a 1.5% pricing discount. Therefore, the proposed action is consistent with the City of Pasadena strategic planning goal to maintain fiscal responsibility and stability.

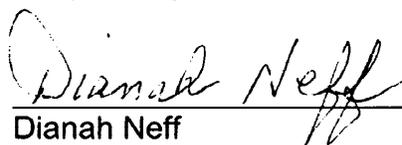
ENVIRONMENTAL ANALYSIS:

The City's contract with CompuCom is not subject to the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3) as the activity in question does not have the potential for causing a significant effect on the environment.

FISCAL IMPACT:

The proposed total for the contract is \$854,109. The first year funding of \$284,703 for the annual license is available in the DoIT fiscal year 2010 operating budget. Subsequent funding of \$284,703 for the annual license will be included in the FY11 Recommended Operating Budget. City Departments will make annual payments to DoIT Computing and Communication Fund based on rates established as part of the annual budget process.

Respectfully submitted,



Dianah Neff
Interim Chief Information Officer
Department of Information Technology

Prepared by:



Christina Kuo
Management Analyst
Department of Information Technology

Concurred by:



Phillip Leclair
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Department of Information Technology

Approved by:



MICHAEL J. BECK
City Manager

**Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Amendment
Pasadena City Charter, Article XVII**

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

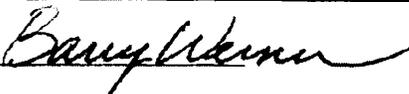
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1. Contractor/Organization Name: CompuCom Systems, Inc.

2. Type of Entity: <input checked="" type="checkbox"/> non-government <input type="checkbox"/> nonprofit 501(c)(3), (4), or (6)

3. Name(s) of trustees, directors, partners, officers of Contractor/Organization:
Directors: James W. Dixon, Michael A. Delaney, Andrew Gesell, Jeffrey Vogel, & Ian Highet
Officers: James W. Dixon, President and CEO Michael W. Simpson, CFO & Treasurer Jeffrey E. Frick, Sr. VP & COO William D. Barry, Sr. VP David Hall, Sr. VP Richard Jorgensen, Sr. VP , Timothy Shea, Sr. VP Richard McDonough, VP & Secretary, & Kevin Shank, Sr. VP

4. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:
CompuCom Systems Holding Corp 100%

Prepared by: Barry Werner 
 Title: Associate General Counsel
 Phone: 972.856.3600
 Date: 03/10/10