

# Agenda Report

June 2, 2014

**TO:** Honorable Mayor and City Council

**FROM:** Department of Information Technology

**SUBJECT:** AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH THE HEWLETT-PACKARD COMPANY FOR THE PURCHASE OF 700 DESKTOP COMPUTERS

**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); and
2. Authorize the City Manager to enter into a purchase order contract with Hewlett-Packard Company, in an amount not to exceed \$468,482 for the purchase of 700 desktop computers. Neither competitive bidding nor competitive selection is required pursuant to City Charter Section 1002 (H), and Pasadena Municipal Code Section 4.08.049.

**BACKGROUND:**

The City's comprehensive Information Technology Strategic Plan (ITSP) which was completed in April 2011 focused on meeting the following objectives:

- Increase and enhance public access to information and services.
- Develop an IT investment strategy to enhance and replace aging systems.
- Develop a strategic plan with an enterprise focus, integrating existing and new systems.
- Maintain the flexibility to incorporate emerging technologies as they become available.

The ITSP also contains a 5-year implementation roadmap, which addresses the successful deployment of strategic business technologies required to meet the stated objectives. Following this roadmap, the Department of Information Technology (DoIT) is

undertaking specific key initiatives, including a Desktop Replacement Program. This program incorporates replacement of aging equipment with both physical and virtual desktop computers. Over the first 26 months of the program, a total of 751 devices (346 physical, 405 virtual) have been replaced. Computer equipment for these replacements was procured in smaller orders as needed through various vendors due to deployment demands up to this point.

On March 17, 2014, City Council approved the City Manager entering into a contract with IMPEX Technologies, Inc. to provide requirements analysis, system preparation and computer deployment services for up to 500 additional City computers. Upon contract execution, IMPEX and DoIT have jointly continued to replace the City's aging fleet of desktop computers as quickly as possible, and are on schedule to meet or exceed the goal of replacing the majority of the City's oldest computers by June 30, 2014. The remainder of the fleet will be replaced by June 30, 2015. In support of this effort, approximately 700 computers must be purchased over the next 14 months.

In September 2009, following a competitive selection process, the State of Minnesota on behalf of the Western States Contracting Alliance (WSCA) and the National Association of State Procurement Officials (NASPO), executed an agreement (w2-1999) with selected vendors for "Computer Equipment, Software, Peripherals and Related Services." By leveraging the current WSCA/NASPO contract with Hewlett-Packard Company (#B217164), and by agreeing to purchase in volume, DoIT was able to secure an additional 2.4% discount above what is already offered through this contract. The price list for equipment covered under this contract is updated on a semi-annual basis. Based on the average pricing per desktop computer of \$614, staff is recommending authorization for the City Manager to enter into a purchase order contract with Hewlett-Packard Company for an amount not to exceed \$468,482. This price includes all direct costs associated with equipment to be purchased. The proposed purchase order contract will be set up as follows:

Equipment Costs and Taxes	<u>\$ 468,482</u>
Contract "Not to Exceed" Amount	\$ 468,482

If approved by City Council, staff anticipates purchasing the first 275 computers immediately during FY2014, and the remaining 425 computers in phases throughout FY2015.

**COUNCIL POLICY CONSIDERATION:**

This purchase order contract with Hewlett-Packard Company supports the City Council's three year 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 purchase order contract is exempt from 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 is for replacement desktop computers and will not result in any new development or physical changes.

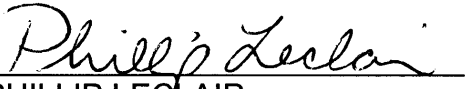
**FISCAL IMPACT:**

The cost of this action will be \$468,482. Funding for this action will be addressed by the utilization of existing and future budgeted appropriations in the Desktop Replacement Program operations account (8109-501-392600). It is anticipated that approximately \$184,000 of the purchase order contract will be spent during the current fiscal year, with the outstanding balance spent during the following fiscal year. There are no anticipated impacts to other operational programs or capital projects as a result of this action.

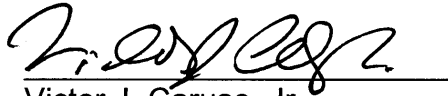
The following table represents a contract summary.

Equipment Costs and Taxes	\$ 468,482
<b>Total Fiscal Impact</b>	<b>\$ 468,482</b>

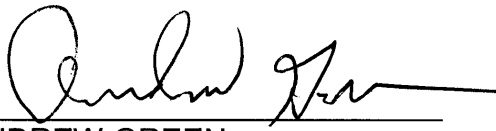
Respectfully submitted,

  
PHILLIP LECLAIR  
Chief Information Officer  
Department of Information Technology


Prepared by:

  
Victor J. Caruso, Jr.  
Information Technology Analyst III

Concurred by:

  
ANDREW GREEN  
Director of Finance  
Department of Finance

Approved by:

  
for MICHAEL J. BECK  
City Manager

Attachment A: Taxpayer Protection Amendment Form

## TAXPAYER PROTECTION AMENDMENT

Under the provisions of the City of Pasadena Taxpayer Protection Amendment ("Taxpayer Protection Act"), the Contractor/Organization will be considered a "recipient of a public benefit." The full provisions of the Taxpayer Protection Act are set forth in Pasadena City Charter, Article XVII. Under the Taxpayer Protection Act, City public officials who approve this Contract are prohibited from receiving gifts, campaign contributions or employment from Contractor for a specified time. This prohibition extends to individuals and entities that are specified and identified in the Taxpayer Protection Act and includes Contractor/Organization and its trustees, directors, partners, corporate officers and those with more than a 10% equity, participation, or revenue interest in Contractor/Organization. Contractor/Organization understands and agrees that: (A) Contractor/Organization is aware of the Taxpayer Protection Act; (B) Contractor/Organization will complete and return the forms provided by the City in order to identify all of the recipients of a public benefit specified in the Taxpayer Protection Act; and (C) Contractor/Organization will not make any prohibited gift, campaign contribution or offer of employment to any public official who approved this Contract.

**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:

*(If printing, please print legibly. Use additional sheets as necessary.)*

**1. Contractor/Organization Name:** Hewlett Packard Company

**2. Type of Entity:**  
 non-government     nonprofit 501(c)(3), (4), or (6)

**3. Name(s) of trustees, directors, partners, officers of Contractor/Organization:**

<u>Mega Whitman - CEO</u>
<u>Tracy Keogh - SVP, HP</u>
<u>Mohammad Ali - CSO</u>
<u>Catherine Lisjak - SVP, CFO</u>
<u>WALTER FINE - CTO</u>
<u>Henry Guncel - SVP, Marketing/Communications</u>

**4. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:**

<u>HP is a publicly traded Company</u>

Prepared by: Alexis Aloway  
Title: Contract Administrator  
Phone: 301 205-7728  
Date: 5/20/14