

Agenda Report

September 12, 2022

TO: Honorable Mayor and City Council

FROM: Department of Information Technology

SUBJECT: **AUTHORIZATION TO AMEND CITY CONTRACT NO. 31,224 WITH CDW GOVERNMENT LLC FOR THE PURCHASE OF INFORMATION TECHNOLOGY PRODUCTS, SOLUTIONS, AND SERVICES, TO INCREASE THE NOT TO EXCEED AMOUNT BY \$6,651,000 AND TO EXTEND THE CONTRACT TERM BY 2 YEARS**

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 City Manager to amend Contract 31224 with CDW Government LLC, to increase the contract amount by \$6,651,000 thereby increasing the total not-to-exceed amount from \$6,750,000 to \$13,401,000 and to extend the contract term for two years, to February 28, 2025. Competitive bidding is not required pursuant to City Charter Section 1002(H) contracts with other governmental entities or their contractors; and
3. To the extent this could be considered a separate procurement subject to the Competitive Selection Process, it is recommended that the City Council grant the contract an exemption pursuant to Pasadena Municipal Code (PMC) 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. On June 11, 2018, 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, City Council approved staff's recommendation to enter into a master contract with CDW Government LLC (CDW-G) for the purchase of information technology

products and supplies. City Contract 31224 was thereby established for an amount not to exceed \$6,750,000, to February 28, 2023.

CDW-G's underlying government contract (contract number 2018011-01) is between CDW-G and the City of Mesa, Arizona, in cooperation with the Omnia Partners, which is the largest cooperative purchasing organization for public sector procurement and was recently extended to February 28, 2025.

Therefore, to continue the efficiencies gained over the past four-plus years by centralizing technology purchasing and to obtain volume pricing discounts available through the contract, staff recommends extending the current contract, 31224, with CDW-G through February 28, 2025, and increasing the contract amount by \$6,651,000. The table below summarizes technology purchases made by DoIT on the contract to date, and those estimated through the proposed extension date of February 28, 2025:

Category	CURRENT CONTRACT ORIGINAL ALLOCATION		CURRENT CONTRACT YTD SPEND		PROPOSED EXTENSION THRU 2/28/25	
	ALLOCATION	QTY	YTD SPEND	QTY	2/28/25	QTY
Desktops, Laptops, Tablets and Peripherals	2,530,000	1,975	2,770,925	3,616	2,442,000	2,086
Mobile Data Computers	295,000	32	91,564	-	45,000	37
Monitors	443,000	1,530	263,705	1,171	158,000	700
Printers	100,000	225	54,922	121	33,000	225
Software	184,000	1,000	331,237	2,554	200,000	1,532
Miscellaneous Computing Accessories	198,000		578,904	-	348,000	
Lifecycle Equipment Replacement, Maintenance and Services	3,000,000		2,576,408	-	3,425,000	
Total:	6,750,000		6,667,666		6,651,000	

Over the next two and a half years, a significant number of desktop computers, laptops and tablets will come due for replacement, outpacing the replacement trend over the last four years, particularly due to the rapid expansion of technology equipment needed in the response to the COVID pandemic. Laptops, web cameras, speakers, headsets, and other equipment and services supporting remote work and virtual meeting technologies, including technology supporting the City's community response to the pandemic were procured through this contract.

Staff estimates over \$3.4 million in lifecycle equipment purchases and maintenance and support contracts to occur. Equipment in these categories include firewalls, routers, switches, wireless infrastructure, and equipment in support of future IT initiatives in the Water and Power Department including the Computerized Maintenance Management System (CMMS), Advanced Metering Infrastructure/SmartGrid, SCADA and Distribution

Automation, will also take advantage of pricing and volume discounts available through the contract.

Purchases will only occur if there are existing budgeted appropriations in various City department accounts and capital projects that are provided when technology products, solutions, and services are requested.

Since July 2018, when the original contract became effective and DoIT centralized technology procurements, the department better manages and monitors 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. The reduction in unique transactions reduces administrative costs throughout the entire procurement and fulfillment process.

CDW-G's ability to warehouse large orders for ongoing operational needs and to ramp up for major projects has helped in meeting shifting timelines and scope changes that occur. This proved to be invaluable during the onset of the Covid-19 pandemic when equipment like laptops, web cameras, and headsets were able to be sourced quickly to allow approximately thirty percent of City staff to telework effectively and safely.

The contract provides for product discounts off the verifiable price index ranging from 2.25 percent to 13 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, volume-based discounts below those stated in the contract are regularly negotiated in working with CDW-G directly.

The technology products and services available through the CDW-G contract reflects only a subset of technology purchases made by DoIT. DoIT routinely attempts to source technology products and services locally through bids and requests for proposals, and will continue this approach as an initial option, where feasible.

There are currently no other active contracts open with CDW-G.

COUNCIL POLICY CONSIDERATION:

This proposed contract extension with CDW-G 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 extension 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:

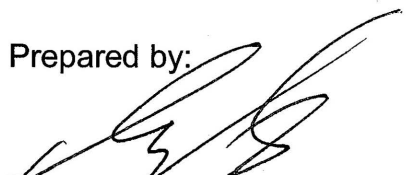
The maximum cost of this action will be \$6,651,000, for a revised total not to exceed of \$13,401,000 for Contract 31224 with CDW-G. Funding for this action will be addressed by the utilization of annual budgeted appropriations in the Desktop Replacement Program, which currently totals \$670,145 for FY 2023, and in the DoIT Equipment Lifecycle Replacement FY 2020- FY 2024 Capital Improvement Program project. 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, solutions, and services are requested throughout the year. It is anticipated that approximately \$2,200,000 of the increase will be spent in FY 2023. The remainder will be spent in FY 2024 and FY 2025. There are no indirect or support costs anticipated as a result of this contract.

Respectfully submitted,



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MIGUEL MÁRQUEZ
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Attachment A – Taxpayer Protection Amendment