



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Authorize the Issuance of a Blanket Purchase Order for the Purchase of Computer Equipment (F16-116)

REPORT IN BRIEF

Approval is requested to issue a blanket purchase order to Dell Marketing L.P. of Round Rock, TX, through December 31, 2017 and in the amount of \$450,000 for ongoing, scheduled replacements of computers, monitors, servers and associated equipment. Approval is also requested to delegate authority to the City Manager to renew the agreement for four additional one-year periods as discussed below.

Staff recommends the approval of the blanket purchase order using a cooperative procurement agreement with the Western States Contracting Alliance (WSCA) - National Association of State Procurement Officials (NASPO) bid by the State of Minnesota to take advantage of large volume discounts and reduce the procurement cycle time.

EXISTING POLICY

Chapter 2.08 of the Municipal Code requires Council approval for transactions greater than \$100,000. Pursuant to Section 2.08.220(b) of the Municipal Code, the City may authorize the procurement of goods and/or services through the use of a contract initiated by another governmental agency.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15378 (a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

BACKGROUND AND DISCUSSION

For the past several years, staff has been buying Dell computers exclusively for the City. Staff has standardized on Dell computers because of their ability to meet the feature needs as well as provide consistent quality and support service. Although there are other manufacturers, there are several reasons for this practice in both public and private sector organizations. With a large number of computers in the inventory and relatively small number of staff to maintain them Dell offers some key features and services:

1. Dell computers are of a commercial grade constructed of high quality components that are likely to continue functioning over an extended lifespan with a minimum of component failure

2. The provider has a service organization that responds to the City to repair problems onsite with minimal supervision by City staff
3. The provider maintains a parts inventory and can replace with like components well into their projected lifespan to avoid having to replace systems prematurely. Like components are important because many unlike components require software changes to function properly.
4. The products provided by Dell provide the features needed to address the City's business needs (particularly important with computer servers)

Additionally, maintaining an inventory of systems that are as similar as possible provides efficiencies in system support and allows staff to utilize automated methods of managing the systems. This method also aligns with the strategic direction to standardize hardware platforms to ensure compatibility and integration with existing equipment.

It is recommended that the City utilize the current State of Minnesota and Western States Contracting Alliance (WSCA) - National Association of State Procurement Officials (NASPO) Master Agreement to establish the blanket purchase order. Use of this agreement will allow the City to obtain up to a 17.5% discount from Dell's retail pricing. It is estimated that the initial order will consist of blade servers, desktop computers and monitors for approximately \$250,000, thereafter \$200,000 in scheduled replacements and requests for new equipment are anticipated through December 31, 2017.

FISCAL IMPACT

Budgeted funds are available in the Information Technology Equipment Replacement Fund.

Funding Source

Funds are budgeted primarily in the Fund 595 General Services, Subfund 350 Technology and Communication Services. Contributions to the General Services Funds are made from other City funds based on the inventory of equipment in use.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

1) Authorize the issuance of a purchase order substantially in the same form as Attachment 1 to the report in the amount of \$450,000 to Dell Marketing L.P.; and 2) delegate authority to the City Manager to renew the purchase order for four (4) additional one-year periods, not-to-exceed budgeted amounts, subject to the continued use of the Western States Contracting Alliance (WSCA) - National Association of State Procurement Officials (NASPO) Master Agreement cooperative procurement contract or an acceptable alternative.

Prepared by: Pete Gonda, Purchasing Officer

Reviewed by: Timothy J. Kirby, Acting Director of Finance

Reviewed by: David Jensen, Director of Information Technology

Reviewed by: Walter C. Rossmann, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Minnesota-WSCA/NASPO Master Agreement
2. Draft Blanket Purchase Order