



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Authorize the Modification of an Existing Purchase Order for Computer Hardware (F17-108)

REPORT IN BRIEF

Approval is requested to modify an existing purchase order with Dell Marketing L.P. of Round Rock, TX, to increase the not-to-exceed value to \$800,000 for the Purchase Order period from May 17, 2016 to December 31, 2017.

EXISTING POLICY

Pursuant to Chapter 2.08 of the Sunnyvale Municipal Code, contracts greater than \$100,000 require Council approval

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 reasonable foreseeable indirect physical change in the environment.

BACKGROUND AND DISCUSSION

In May 2016, Council authorized the issuance of a purchase order to Dell Marketing (RTC No. 16-0449) for ongoing, scheduled replacement of computer equipment using the Western States Contracting Alliance - National Association of State Procurement Officials (WSCA/NASPO) cooperative procurement agreement to take advantage of large volume discounts and reduce the procurement cycle time. Council approval included an initial nineteen-month purchase order in the amount of \$450,000 with successive annual renewals not-to-exceed budgeted amounts, subject to participation in in WSCA/NASPO cooperative procurement process.

As part of the City's work to modernize its Information Technology infrastructure, staff is requesting that the initial PO be increased to cover the procurement of replacement monitors in conference rooms, equipment on behalf of the Silicon Valley Clean Energy Authority (the cost for the purchase was fully reimbursed), upgraded equipment for some employees, and replacement of desktops with laptops to enhance mobility and effectiveness of use. These purchases have already been made, therefore this increase is requested to be retroactive to August of 2016. Staff's typical approach is to award contracts not to exceed budgeted amounts for goods and services. This allows for flexibility to meet changing demands within budget. In this case, staff inadvertently recommended that the authority be limited to term extensions, and therefore, although still within budget, must return to Council for additional dollar authority

The Dell Marketing blanket order does not expire until December 31, 2017 and has approximately

\$57,500 (9.5%) remaining. Projections for new equipment before expiration of the blanket order include:

Computers for 6 new staff (PCs/monitors/laptops)	\$ 10,500
Rugged laptops (5) for ESD (Water Crews)	\$ 27,000
PC upgrades	\$ 10,000
PC replacements	\$ 95,000
Replacement of recruitment tablets in Human Resources	<u>\$ 10,500</u>
Total	<u>\$153,000</u>

FISCAL IMPACT

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

Funding Source

Funds are budgeted primarily in Fund 595, General Services, Subfund 350, Technology and Communication Services.

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

Make a finding of exemption from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(a); authorize the City Manager to amend the exiting purchase order with Dell Computer for computer equipment to increase the not-to-exceed amount from \$450,000 to \$800,000.

Prepared by: Noel Dietz, Acting Purchasing Officer
Reviewed by: Timothy J. Kirby, Director of Finance
Reviewed by: Kathleen Boutté Foster, Chief Information Officer
Reviewed by: Walter C. Rossmann, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENT

1. Draft Purchase Order