



DATE: December 19, 2012

TO: Honorable Mayor and City Councilmembers

FROM: City Manager Department/Information Technologies

SUBJECT: **INCREASE TWO ANNUAL PURCHASE ORDERS EXCEEDING \$50,000 AND ADD ONE NEW PURCHASE ORDER EXCEEDING \$50,000 FOR FISCAL YEAR 2012-2013 FOR THE INFORMATION TECHNOLOGIES DIVISION**

SYNOPSIS

Staff recommends that the City Council approve an increase to the annual purchase order for Gigster Products Inc., from \$38,000 to \$200,000; increase the annual purchase order for Dell Marketing L.P., from \$150,000 to \$400,000; and approve a new purchase order for Hello Direct Inc., in the amount of \$75,000 to purchase equipment, supplies, materials, and services for the Information Technologies Division and associated funds; and authorize the Financial Services Director, or designee, to execute the revised purchase orders and the new annual purchase order for FY 2012-2013.

BACKGROUND

Each fiscal year, estimates are determined as to the quantity of special equipment, supplies, materials, and services that will be needed in the course of the fiscal year. Purchase requisitions are then submitted to obtain the required services, equipment and supplies. Staff procures three bids, unless the purchase is a sole-source item or the services are approved through an approved professional services agreement. The vendor or supplier is selected on criteria of most applicable product and best service for the needed purpose at the lowest cost.

On June 20, 2012, the City Council approved a list of annual purchase orders that exceeded \$50,000 for fiscal year 2012-13 for the Information Technologies Division. Purchases were approved in the amount not to exceed \$250,000 for Dell Marketing L.P., and not to exceed \$50,000 for Gigster Products Inc.

ANALYSIS

The Information Technologies Division is responsible to internal customers throughout the City, for all City Departments, to provide computer, telephone, building access, audio visual, and other professional services. Gigster Products is the only Southern California reseller of the Arkeia back-up disk storage system which is currently installed in the main server room. Additional Arkeia software licenses, switches and storage components are

needed to ensure that an adequate amount of storage is available to retain critical City data including public safety information. Additional combined hardware and software upgrade purchases through Dell Marketing are necessary to support Citywide services such as a replacement back-up tape library; uninterrupted power supply for the secondary server room; a new Police Department CAD server system; and the new three-year Microsoft licensing agreement for the Library.

Desk phones are being replaced throughout departments during the current fiscal year due to age and condition of the existing telephones. Hello Direct is a telephone hardware provider that consistently provides the highest quality at the most reasonable prices. Hello Direct is a General Services Administration approved provider. The purchase order increases for Dell and Gigster, along with the new purchase order for Hello Direct, will enable Information Technologies to expeditiously meet Citywide demands for equipment and services.

FISCAL IMPACT

Funds are available in the current FY 2012-13 budget for these purchases. Funds are available as follows:

Dell Marketing L.P., increase the current Purchase Order number 1001498 in the amount of \$150,000 to \$400,000, with \$30,000 paid from 155010841.5355 (Information Systems Materials/Supplies); \$20,000 paid from 155010841.5330 (Information Systems Machinery/Equipment); \$65,000 paid from 155162841.5330 (Network Infrastructure Machinery/Equipment); \$40,000 paid from 155167841.5330 (Utility Billing Machinery/Equipment); \$20,000 paid from 155167841.5385 (Utility Billing Telephone) and \$75,000 paid from 155157841.5385 (Communications Telephone).

Gigster Products Inc., increase the current Purchase Order number 1001499 in the amount of \$38,000 to \$200,000 with \$162,000 paid from 155162841.5330 (Network Infrastructure Machinery/Equipment).

Hello Direct, \$75,000 paid from 155157841.5385 (Communications Telephone).

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

Purchases must comply with bid requirements unless a sufficient sole-source justification is provided. Professional services agreements must be reviewed by the City Attorney and approved as to form.

RECOMMENDATION

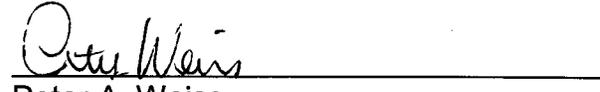
Staff recommends that the City Council approve an increase to the annual purchase order for Gigster Products Inc., from \$38,000 to \$200,000; increase the annual purchaser order for Dell Marketing L.P., from \$150,000 to \$400,000; and approve a new

purchase order for Hello Direct Inc., in the amount of \$75,000 to purchase equipment, supplies, materials, and services for the Information Technologies Division and associated funds; and authorize the Financial Services Director, or designee, to execute the revised purchase orders and the new annual purchase order for FY 2012-2013.

PREPARED BY:

SUBMITTED BY:


Yukari Krause-Brown
Interim Division Manager
Information Technologies Division

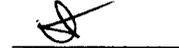

Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs-Lawrence, Deputy City Manager



Teri Ferro, Financial Services Director



Attachments:

1. Item 6 from the June 20, 2012 Council Meeting, including Attachment 1.

STAFF REPORT

DATE: June 20, 2012

TO: Honorable Mayor and City Councilmembers

FROM: City Manager's Office/Information Technologies

SUBJECT: **ANNUAL PURCHASE ORDERS EXCEEDING \$50,000 FOR FISCAL YEAR 2012-2013 FOR THE INFORMATION TECHNOLOGIES DIVISION**

SYNOPSIS

Staff recommends that the City Council approve annual purchase orders for the purchase of equipment, supplies, materials, and services in amounts over \$50,000 for the Information Technologies Division and associated funds; and authorize the Financial Services Director, or designee, to execute the annual purchase orders for FY 2012-2013.

BACKGROUND

Each fiscal year, estimates are determined as to the quantity of special equipment, supplies, materials, and services that will be needed in the course of the fiscal year. Purchase requisitions are then submitted to obtain the required services, equipment and supplies. Staff procures three bids, unless the purchase is a sole-source item or the services are approved through an approved professional services agreement. The vendor or supplier is selected on criteria of most applicable product and best service for the needed purpose at the lowest cost.

ANALYSIS

The Information Technologies Division is responsible to internal customers throughout the City, for all City Departments, to provide computer, telephone, building access, audio visual, and other professional services. The attached vendor list provides the vendor name, type of supplies, estimated expenditures for the year and method of purchase. The vendor accounts outlined for annual purchase order authorization in Attachment 1 will enable Information Technologies to expeditiously meet Citywide demands. In accordance with City purchasing procedures the Information Technologies Division submits to the Council for approval purchase orders for vendors from whom purchases will exceed \$50,000 during the fiscal year.

FISCAL IMPACT

Attachment 1 provides information detailing the Division's annual purchase orders exceeding \$50,000. Funds have been budgeted in the Information Technologies FY 2012-2013 budget for these purchases.

COMMISSION OR COMMITTEE REPORT

Does not apply.

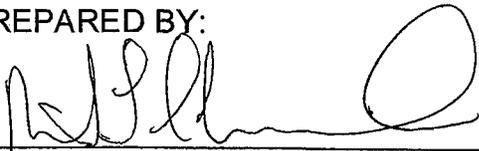
CITY ATTORNEY'S ANALYSIS

Purchases must comply with bid requirements unless a sufficient sole-source justification is provided. Professional services agreements must be reviewed by the City Attorney and approved as to form.

RECOMMENDATION

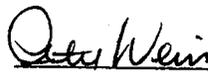
Staff recommends that the City Council approve annual purchase orders for the purchase of equipment, supplies, materials, and services in amounts over \$50,000 for the Information Technologies Division and associated funds; and authorize the Financial Services Director, or designee, to execute the annual purchase orders for FY 2012-2013.

PREPARED BY:



Michael L. Sherwood
Chief Information Officer,
Information Technologies Division

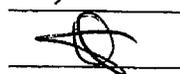
SUBMITTED BY:



Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs-Lawrence, Deputy City Manager
Teri Ferro, Financial Services Director

Information Technologies
Fiscal Year 2012- 2013
June 20, 2012

Vendor	Supplies/Services	2012-13 Department Expenditures	Method of Purchase
Advanced Call Processing	Maintenance, support and services for City-wide voice mail and telephone system. (includes instruments)	\$100,000	Sole Source
American TriTech	Software maintenance and support for Police and Fire computer aided dispatch, and interface systems.	\$150,000	Sole Source
AT&T	Citywide provider of local/long distance telephone services, leased line services, SCADA Water Utilities system, and network hardware.	\$285,000	Utility Services/Government Contract (CALNET II State Contract)
AT&T Mobility	Citywide cell phones, radio services and pagers	\$150,000	Government Contract (CALNET II State Contract)
Com-Sec Incorporated	Citywide provider of access control hardware and maintenance services.	\$75,000	Government Contract
Cox Communications	Citywide provider of leased line services and network hardware.	\$96,000	Utility Services / Competitive Bid
Dell Marketing L.P.	Citywide computer purchases, maintenance and support.	\$250,000	Government Contract
Dell Marketing L.P.	Citywide Microsoft software licensing	\$250,000	Government Contract
Gigster	Citywide provider of network hardware	\$50,000	Government Contract/Competitive Bid
Maris Imaging Solutions	Documentum imaging system annual maintenance	\$57,100	Maintenance per Professional Service Agreement, Amendment 1
Oracle (JD Edwards)	Oracle maintenance	\$108,000	Software Maintenance per Professional Service Agreement
Sprint Nextel	Citywide cell phones	\$150,000	Government Contract
Sun Wireless	Provider of wireless network hardware and support.	\$175,000	Government Contract/Competitive Bid
Value Strategies	Provider of Oracle Technical Enhancements	\$99,020	Professional Service Agreement
Xerox Corporation	Citywide copier and printer maintenance and support	\$385,000	Government Contract/Competitive Bid
Total		\$2,380,120	

