

**CITY OF SAN ANTONIO  
INTERDEPARTMENTAL MEMORANDUM  
PURCHASING & GENERAL SERVICES DEPARTMENT**

**CONSENT AGENDA**

**ITEM NO. 8**

**TO:** Mayor and City Council

**FROM:** Janie B. Cantu, Director of Purchasing & General Services

**THROUGH:** Terry M. Brechtel, City Manager

**COPIES:** Travis M. Bishop, Assistant City Manager;  
Gary Moeller, Director of Information Technology Services Department;  
File

**SUBJECT:** Seat Management/Personal Computer Leasing Program

**DATE:** April 3, 2003

**SUMMARY & RECOMMENDATION:**

This ordinance authorizes the Purchasing & General Services Department to accept an offer from Northrop Grumman Information Technology, Inc. (NGTSI) to provide the Information Technology Services Department with a seat management/personal computer leasing program. Staff recommends approval of this ordinance.

**BACKGROUND INFORMATION:**

The Information Technology Services Department (ITSD) began investigating the feasibility of implementing a PC Leasing Program in FY01-02. After surveying Dallas, Austin, and Fort Worth, Texas municipalities, staff concluded that the most advantageous methodology for achieving this aspiration was utilization of the State of Texas Department of Information Resources (DIR) Seat Management Contract.

By definition, seat management provides for a full range of computer services at each employee's desk or "seat." Also known as desktop outsourcing, seat management calls for a contractor or a contractor team to take over the desktop environment for an organization. Under such an arrangement, the contractor provides the essential hardware, software, network capabilities and support services for individual computer users within an organization. The contractor often charges a fee per user or "seat," hence the term seat management. The customer purchases the right to use the contractor's equipment and services, but the contractor retains ownership and is responsible for maintaining and upgrading the equipment.

Under DIR's Seat Management Contract, the aforementioned equipment and services may be agreed upon by the lessor and lessee in whole or in part.

The City of San Antonio defines an asset as good that appreciates in value. When distributed technology is purchased, the effect is often just the opposite. The fast pace of change in both technological innovation and end-user requirements can quickly turn technology "assets" into technological liabilities. Leasing distributed technology, on the other hand, allows an enterprise to acquire only the use of the technology, not the equipment itself, ensuring that distributed assets remain true assets. For this flexibility, enterprise-wide technological standardization, end-user productivity augmentation, and efficient optimization of cash flows, seat management is an important, technologically viable, cost effective tool for acquiring and managing distributed computing technology.

Based upon the aforementioned analysis and rationale, financial support has been allocated based upon breakdown listed in the funding section. This allocation will enable the Information Technology Services Department to place 960 desktop PCs into the seat management/PC leasing program.

**POLICY ANALYSIS:**

This contract will initiate an anticipated multi-wave approach to enterprise wide technological desktop PC standardization. This program would homogenize the hardware and software for all City of San Antonio desktop PC's, as well as simplify operating system migration for 960 desktop PCs. Associated software is included in this offer. The 960 desktop PCs that have been identified for the first phase of the Seat Management/PC Lease Program, represent the City's most outdated and antiquated devices currently in use. The overall objective of the program is to replace obsolete PCs so that City-wide technological standardization, enhanced end user service support, and technology refresh can be achieved.

The Production Division of the Information Technology Services Department develops City-wide standards for end-user technology. As a result of the Production Division's mission three desktop configurations were analyzed and subsequently developed for the seat management program: 1) Standard Configuration 2) Enhanced Configuration and 3) Technical/GIS Configuration. The Staff concludes that approximately 93% of all devices will be Standard Configuration devices, 5% - Enhanced Configuration, and 2% - Technical/GIS Configuration.


Additionally, the DIR agreement provides for Historically Underutilized Business (HUB's) and Small Business Economic Development Advocacy (SBEDA) Programs. NGTSI has a corporate branch office located within the city limits and will utilize Commonwealth Computer Company, an AABE company, as their subcontractor. Commonwealth has a long, well established history with the City. Commonwealth will provide install and service the equipment.

This contract will begin upon award by City Council and terminate in three years with an option to extend for an additional three-year period. Each workstation will be leased for a period of 36 months during the contract period.

This purchase is being made in accordance with the State of Texas Cooperative Purchasing Agreement adopted by the City of San Antonio Resolution No. 91-39-53; State of Texas Department of Information Resources Seat Management Contract, Contract No: DIR-VPC-02-029; Supplemental Agreement for Seat Management Support Services and Service Levels City of San Antonio.

**FINANCIAL IMPACT**

The estimated annual cost of the first year of this contract is \$490,000.00, the second year estimated cost is \$380,000.00 and the third year estimated cost is \$380,000.00. Funding for year two and three is contingent upon budget approval. Lease of additional personal computers is contingent upon budget approval. Funds will not be encumbered by this ordinance. All expenditures will be in accordance with the FY02-03 Budget approved by City Council.

  
Janie B. Cantu, C.P.M., Director  
Purchasing & General Services

Approved:

  
Travis M. Bishop, Assistant City Manager  
City Manager's Office

CITY OF SAN ANTONIO  
BID TABULATION

Seat Management/Personal Computer Leasing Program

Northrop-Grumman Information Technology, Inc.  
4241 Woodcock Drive, Suite # B 100  
San Antonio, Texas 78228

Standard Desktop Configuration	\$ 33.00/mo
Enhanced Desktop Configuration	\$ 44.00/mo
Gis/Technical Desktop Configuration	\$109.00/mo

Terms Net 30

DS/ds

**03-045**