

Agenda item #6

**CITY OF SAN ANTONIO
PURCHASING & GENERAL SERVICES DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM**

TO: Sheryl Sculley, City Manager

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

SUBJECT: Annual Contract For Computers, Servers, Peripherals and Software

DATE: June 8, 2006

SUMMARY & RECOMMENDATION

An ordinance authorizing the use of the State of Texas Department of Information Resources (DIR) contract with Dell Marketing LP and authorized Dell distributors to provide the City of San Antonio Information Technology Services Department with computers, servers, peripherals and software on an annual contract basis for an estimated annual cost of \$3,900,000.00. Funds will not be encumbered by this ordinance. Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

Historically, the City has utilized multiple contracts with vendors to provide desktop computers, laptops, mobile computers, servers, peripherals and software. These contracts were established by various procurement methods and did not always provide easy access to IT goods and services. The proposed use of the DIR contract with Dell Marketing will consolidate technology purchasing and establish standards within the City. This process will provide a customized website which will improve ITSD's ability to monitor IT procurements, supply users with new technology and simplify ordering processes. The website will allow ITSD to monitor pricing, track products being ordered and standardize technology procurements. This concept will also move the City closer to a long term goal of e-Procurement.

POLICY ANALYSIS

This ordinance will authorize the City to utilize the contract between Dell Marketing, LP and the Texas Department of Information Resources, providing various computer equipment and software. Items such as desktop computers, laptops, servers, computer peripherals and software will be available to the City through the Dell contract at lower unit costs thereby providing a savings to the City and real time price decreases as the market changes. The contract prices will be reviewed on a quarterly basis and adjusted in accordance with market prices. The discounts in the contract are minimum discounts available, but deeper discounts will be provided depending on order quantity or specific discounts negotiated by the City.

The Contractor shall provide as part of this contract the pickup, transportation, and disposition of the replaced Electronic Equipment, in accordance with all Federal, State and local statutes, ordinances, rules, and regulations, including, but not limited to, those regulations promulgated by the Environmental Protection Agency (EPA), Department of Transportation (DOT), and the Texas Commission on Environmental Quality (TCEQ), and any predecessor or successor agency. Contractor shall procure at its expense all necessary permits, licenses, certifications and other forms of documentation required relating to the Electronic Equipment, components and any resultant waste to be transported, treated, stored, recycled, disposed or processed. The contract will be utilized by the City's Information Technology Services Department to satisfy the City's computer needs on a continuous basis.

Purchases will be made in accordance with the State of Texas Cooperative Purchasing Agreement adopted by the City of San Antonio Resolution No. 91-39-53, using the Department of Information Resources "Go Direct" program and managed by the Texas Building and Procurement Commission. Texas Government Code, Section 791.025 states that DIR has met competitive bidding requirements required by Local Government Code.


This contract also provides the City with the opportunity to contract with designated historically underutilized businesses through its authorized reseller program.

FISCAL IMPACT

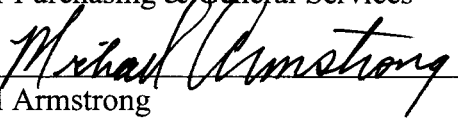
The estimated cost of this annual contract is \$3,900,000.00. Funds are not encumbered by this ordinance but all purchases will be in accordance with the FY2005-2006 Budget approved by City Council.

COORDINATION

This item has been coordinated with the City of San Antonio Information Technology Services Department.

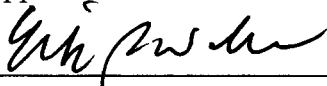


Jamie B. Cantu, C.P.M.
Director Purchasing & General Services



Michael Armstrong
Assistant City Manager/Chief Information Officer

Approved for Council Consideration:



for Sheryl Sculley
City Manager

Date 6-8-06

**City of San Antonio
Contract Summary Sheet**

Agenda Item:

Name/Title (Caption as shown on agenda):

An ordinance authorizing the use of the State of Texas Department of Information Resources (DIR) contract with Dell Marketing LP and authorized Dell distributors to provide the City of San Antonio Information Technology Services Department with computers, servers, peripherals and software on an annual contract basis for an estimated annual cost of \$3,900,000.00. Funds will not be encumbered by this ordinance. [Presented by Janie B. Cantu, Director, Purchasing & General Services; Michael Armstrong, Assistant City Manager/Chief Information Officer]

Description of Item(s) and Use:

This contract will provide desktop computers, servers, computer peripherals and software utilized by the City for it's technology needs. The use of the DIR contract will consolidate IT purchasing and establish a standard for all technology and provides a customized website, allowing e-Procurement to occur. The consolidation of five IT contracts including separate contracts for Servers, Personal Computers, Laptop Computers, Desktop Software, Peripherals and Computer Components will simplify purchasing for ITSD and ensure the City receives the best pricing based on contracted discounts. The DIR Dell website will enable the City to monitor IT buying, contract pricing and simplify IT purchasing without lengthy process to procure IT goods and services. The DIR agreement also allows for Small Minority and Woman Owned Business participation by allowing Dell Authorized vendors to sell through the contract. Currently there are 14 Historically Underutilized Businesses which are authorized Dell resellers under the DIR agreement.

Estimated \$3,900,000.00**Total \$:**

Bid Number and Title	A1008-06-LB Annual Contract for Computers, Servers, Peripherals and Software
Contract Period	Upon Award through 12-23-06 with three one-year options to extend
Method of Procurement	State Contract – DIR contract no. DIR-SDD-192
Price Trend	An estimated 5% decrease in price is anticipated

Contract Info: **Formal** **X** **Annual** **Support/Maintenance** **Lease**

Contractor(s):	Dell Marketing, LP One Dell Way Box 8707 Round Rock, Tx 78682 Various DIR Authorized Dell Distributors
-----------------------	--

Previous Related Council Action(s):

Date:	
Agenda Item #:	
Action:	
Date:	
Agenda Item #:	
Action:	

Anticipated Future Requirements and Actions:**Comments:**

Using ITSD
Department:

CITY OF SAN ANTONIO
BID TABULATION

ANNUAL CONTRACT FOR: COMPUTERS, SERVERS, PERIPHERALS AND SOFTWARE

DELL MARKETING, LP
One Dell Way
Box 8707
Round Rock, Tx 78682
(Or Authorized DIR Reseller)

<u>DESCRIPTION</u>	<u>ESTIMATED ANNUAL COST</u>
PC COMPONENTS AND PERIPHERALS	\$1,000,000.00
DESKTOP COMPUTERS	\$1,600,000.00
LAPTOP COMPUTERS	\$700,000.00
COMPUTER SERVERS	\$300,000.00
SOFTWARE	\$300,000.00

TERMS NET 30

(DIR Contract No. DIR-SDD-192)
(Contract Period Upon Award through December 23, 2006 with 3-1 year options to extend as per DIR contract)

ESTIMATED ANNUAL TOTAL	\$3,900,000.00
------------------------	----------------

A1008-06-LB

DIR MINIMUM DISCOUNTS

<u>DESCRIPTION</u>	<u>DELL DISCOUNT</u>
PowerEdge Departmental Servers, PowerApp Appliance Servers, PowerVault Storage Products, Precision Workstations, Selected EMC, Selected OptiPlex Desktops, and Selected Latitude Notebooks: Customer Kits	11%
Toner, Software and Peripherals Printer	2%
Value Latitude, OptiPlex, Workstation	5%
Software and Peripherals – Commodity	1%
Software/Non-stocked: Selected Application Software, Non-stock Peripherals and Accessories	1%
3rd Party Software & Peripherals – Mainstream Products	11%
Selected Service on PowerEdge Departmental Servers; Directline Service; 4-HR On-Site Critical Care Plus; Business Care Plus On-Site Service (all years)	14.14%
On-site Service – NBD On-site Service (extended yrs), Critical Care On-site Service (all yrs)	8.6%
Selected Promotional Offers; Inspiron; Selected Latitude; SC PowerEdge; Selected EMC; Dell Branded Peripherals/Imaging; Power Connect, Axim, Projector, Printer	3%
NBD Service Parts Contracts (extended yrs 3,4)	1%
Spare Parts	0%
Selected Dimension Desktops	3%
S&P	1%
Selected Dimensions; Non-discountable Service	0%

**CITY OF SAN ANTONIO SPECIALIZED DISCOUNTS
FOR MOST COMMON ITEMS UTILIZED BY THE CITY**

<u>PRODUCT</u>	<u>MFSP PRICE</u>	<u>DIR CONTRACT PRICE</u>	<u>COSA PRICE</u>	<u>COSA DISCOUNT</u>
AXIM Palm Computer	\$685.49	\$671.42	\$548.39	20 percent
D410 Laptop Computer	\$2,128.50	\$1,831.50	\$1,650.00	29 percent
D820 Desktop Computer	\$1,892.43	\$1,628.37	\$1,467.00	29percent
GX 620 SFF Desktop Computer with 19" Flat panel	\$1,335.15	\$1,148.85	\$1,035.00	29 percent
Precision Workstation	\$2,679.33	\$2,305.47	\$2,077.00	29 percent
PE 1850 Server	\$4,106.00	\$3,726.50	\$2,874.20	30 percent
PE 2850 Server	\$4,370.00	\$3,983.57	\$3,059.00	30 percent

Note: These prices and discounts are firm through September 30, 2006 and will be reviewed and adjusted on a quarterly basis.

AUTHROIZED DELL DISTRIBUTORS

AUTHORIZED RESELLER	HUB		AUTHORIZED RESELLER	HUB
Austin Ribbon and Computer 7320 N. Mo-Pac Expy. Suite 301 Austin, TX 78731 174-233-9797-900	FSSN		Dell Marketing L.P. One Dell Way Building 8 Round Rock, TX 78682 174-261-6805-400	MLWN
Checkpoint Services 1790 Commerce Park Suite A1 El Paso , TX 79912 174-277-549-0200	FSSN		QNet, Inc. 13237 Montfort Dr. PMB 657 Dallas , TX 75240 175-283-717-1300	MSBN
Commonwealth Computer Co. 24165 W. IH 35 Suite 217-616 San Antonio, TX 78257 174-274-8769-300	MSBN		SHI Government Solutions 1250 Capitol of TX Hwy. Building 1, #350 Austin , TX 78746 122-369-547-8500	MSAN
xNet Systems 14450 TC Jester Suite 120 Houston, TX 77014 176-057-7006-800	Woman Owned			