

# City of Sacramento

## Legislation Text

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**File #:** 2019-00788, **Version:** 1

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**Title:**

**Purchase/Cooperative Agreements: FY2019/20 Citywide Information Technology Related Goods and Services (Published for 10-Day Review 06/13/2019)**

File ID: 2019-00788

**Location:** Citywide

**Recommendation:**

Pass a Motion authorizing the City Manager or City Manager's designee to: 1) approve the use of cooperative purchasing agreements with Adobe Inc., Anixter Inc., AT&T Inc., AT&T Mobility LLC, Autodesk Inc., Barracuda Networks Inc., BeyondTrust Corporation, CDW-G, Cisco Systems Inc., Data911, Dell Computers, Dell EMC, F5 Networks Inc., Gartner Inc., Graybar, Granicus, HP (Hewlett-Packard Company), Juniper Networks, Kovarus Inc., Kronos Incorporated, Lenovo, Microsoft Corporation, Motorola, NWN Corporation, Palo Alto Networks Inc., Panasonic Corporation, Parkeon, Rapid 7 Nexpose, Red Hat Inc., SAP Public Services Inc., ServiceNow Inc., SoftwareOne Inc., SolarWinds Inc., Sprint Next Corporation, T-Mobile, Trend Micro Inc., Verizon Wireless, VMWare Inc., Zonar Systems Inc.; and 2) replace any contract listed in Exhibit A that expires during FY2019/20 with an appropriate replacement contract from the same cooperative organization; and 3) issue the required purchase orders for the not-to-exceed amount specified for the vendors under the cooperative purchasing agreements and or their authorized resellers, for a total amount not-to-exceed \$20.79 million during the Fiscal Year 2019/20.

**Contact:** Ignacio Estevez, IT Manager, (916) 808-7349; Cassy Vaioleti, Program Analyst, (916) 808-8047; Maria MacGunigal, Chief Information Officer, (916) 808-7998, Information Technology.

**Presenter:** None

**Attachments:**

- 1-Description/Analysis
- 2-List of Cooperative IT Purchases

**Description/Analysis**

**Issue Detail:** The City has ongoing needs to purchase information technology (IT) related goods and services. In May 2019, the IT Department conducted its annual review of all citywide IT related purchases made in FY2018/19. Based on this annual review, staff has prepared an estimate of the anticipated purchases citywide of a variety of IT related goods and services for FY2019/20. Staff requests approval and spending authority to cover the estimated expenditures using cooperative purchasing agreements, and the authority to substitute any of the cooperative agreements listed in Exhibit A with the appropriate replacement agreement issued by the same cooperative organization, if that agreement expires during this purchase approval period. The cooperative purchasing agreements and vendors that will be used to procure the IT related goods and services for FY2019/20 are listed in Exhibit A.

**Policy Considerations:** The recommendations in this report are in accordance with City Code Section 3.56.240, which authorizes the City Manager, where advantageous to the City, to utilize cooperative purchasing agreements approved by the City Council to purchase supplies or nonprofessional services through legal contracts of other governmental jurisdictions or public agencies without separate competitive bidding by the City.

Sacramento City Code Section 4.04.020 and Council Rules of Procedure (Chapter 7, Section E.2.d) mandate that unless waived by a 2/3 vote of the City Council, all labor agreements and all agreements greater than \$1 million shall be made available to the public at least ten (10) days prior to Council action. This contract was published for 10-day review on June 13, 2019 as required.

**Economic Impacts:** None.

**Environmental Considerations:** No environmental review is necessary because the recommendations in this report involve the purchase of IT goods and services which are not considered to be a “project” as proscribed in California Environmental Quality Act Guidelines, (“CEQA”). (CEQA Guidelines section 15378(b)(2).)

**Sustainability:** Under Phase 1 of the City of Sacramento’s Climate Action Plan, all applicable “Green” technology initiatives will be considered prior to the purchase of IT equipment hardware and software.

**Commission/Committee Action:** Not applicable.

**Rationale for Recommendation:** In an ongoing effort to maximize cost savings and staff resources, many government agencies share contracting efforts through cooperative purchasing. This procurement approach increases pricing competitiveness and lowers operating costs through volume purchasing. When comparing the administrative costs of procurement, staff considers product research, source selection, specifications, advertising, staff reports, awarding, protest, and administration of the contract. It is often more cost-effective to eliminate the cost and time spent on

these administrative processes and purchase items and services through a cooperative purchasing program. The City has used both regional and national cooperative purchasing agreements to complement its own contracting initiatives. Cooperative purchasing enables City departments and the Procurement Services Division to evaluate a broader range of contracting opportunities and to share resources with other jurisdictions. Cooperative purchasing also leverages internal and external resources to maximize cost savings opportunities for the City.

**Financial Considerations:** The total amount requested for FY2019/20 will not exceed \$20.79 million. Purchases will be made from various departmental operating and Capital Improvement Program (CIP) budgets through the competitive/cooperative purchasing agreements listed in Exhibit A. Funding for the purchases has been included in the FY2019/20 operating and CIP budgets.

**Local Business Enterprise (LBE):** The City's LBE program does not apply to cooperative purchasing agreements that result from another public agency's competitively-bid process.

#### **Background:**

1. **Cooperative Purchase Agreements:** The use of cooperative purchasing agreements maximizes cost savings and staff resources by sharing contracting and purchasing efforts with other government agencies. Utilizing cooperative purchasing agreements is advantageous to the City because it provides an opportunity for the City to obtain lower pricing through volume purchasing. As cooperative agreements reach expiration, they are automatically renewed allowing government agencies to continue to leverage cost savings. Below is a brief explanation of competitive agreements the City will use to make cooperative IT purchases:

**Houston-Galveston Area Council of Government (H-GACBuy):** The H-GACBuy Cooperative Purchasing Program assists local governments in reducing costs through this government-to-government procurement service available nationwide. This program is available to local government entities and qualifying non-profit corporations.

**Microsoft Enterprise License Agreements (MELA) / County of Riverside Microsoft Master Enterprise Agreement (MMEA):** MELA/MMEA contract is competitively bid by the County of Riverside and available to any public agency within the State of California for the purchase of Microsoft software enterprise licensing and maintenance.

**NASPO ValuePoint:** NASPO ValuePoint is a cooperative purchasing program facilitating public procurement solicitations and agreements using a lead-state model and provides the highest standard of excellence in public cooperative contracting. NASPO ValuePoint is available to public agencies and is a program under National Association of State Procurement Officials that is made up of the directors of the central purchasing offices of the 50 states, District of Columbia and

territories of the United States.

**OMNIA Partners:** OMNIA is a leading national government purchasing cooperative, providing world class government procurement resources and solutions to local and state government agencies, school districts (K-12), higher education institutions, and nonprofits looking for the best overall supplier government pricing. OMNIA partners with many governmental agencies to offer cooperative purchasing contracts to other governmental agencies in order to create a more economical means of procuring services and supplies, ability to pay less for products and services, and reduce administrative costs in developing contracts.

**Pennsylvania Education Purchasing Program (PEPPM):** PEPPM is a cost-effective source for bid-protected technology purchases. Government agencies achieve lower costs of acquisition for their technology products and also enjoy the promise from awarded vendors to offer their best national cooperative price using competitively bid contracts awarded by educational agency. With more than two million products under contract, the PEPPM technology purchasing cooperative is the nation's most comprehensive source for public agencies to research and procure technology brands that meet their own local standards.

**State of California - California Network and Telecommunications (CALNET) 3:** CALNET is Program is focused on providing services that meet the State's complex and critical telecommunications and network business needs. The CALNET Program accomplishes this through oversight, statewide policy, and a suite of statewide, competitively bid telecommunications contracts used by both state and local agencies.

**State of California Master Services Agreement:** Master Service Agreements are contracts that are competitively bid by the State of California, Department of General Services, and available to any agency that expend public funds. These agreements establish a pre-qualified list of vendors and simplify the purchasing process.

**State of California Strategic Sourcing Contract:** This process is designed to allow the State of California to purchase the best products and best services for the best value. Using this purchasing approach, the buyer (California) analyzes what it's buying, what the market conditions are, and who can supply those goods or services. The buyer then uses that information--plus innovative contracting techniques - to find the best values available in the marketplace.

**The Cooperative Purchasing Network (TCPN):** The TCPN assists in helping other public agencies and non-profits reap the benefits of national leveraged pricing, with no cost to the member. TCPN leverages one of the largest pools of purchasing potential. This is accomplished by competitively soliciting proposals and awarding contracts for commonly purchased products and services including technology and other goods and services.

U.S. General Services Administration (GSA) Schedule 70: GSA Schedule 70 delivers federal, state, and local customer agencies the tools and expertise needed to shorten procurement cycles, ensure compliance, and obtain the best value for innovative technology products, services, and solutions through a competitive solicitation process. With more than 7.5 million products and services from over 4,600 pre-vetted vendors, federal agencies, as well as civilian, state, and local organizations, continue to maximize budgets, and reduce buying cycles by up to 50 percent over open market.

2. Ongoing Multiyear Cooperative IT Purchase Agreements: Below is a list of multiyear IT cooperative purchase agreements that have been previously approved by City Council:
  - a. Microsoft Enterprise Agreement: On April 29, 2015, City Council approved the purchase of Microsoft Licenses and Maintenance for a five-year period through the use of the County of Riverside's cooperative purchasing agreement (ITARC054) (Resolutions 2010-167 and 2015-0577).