

2006-06-08-0678

AN ORDINANCE

**AN ORDINANCE AUTHORIZING THE USE OF THE STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES CONTRACT WITH DELL MARKETING LP AND AUTHORIZED DELL DISTRIBUTORS TO PROVIDE THE INFORMATION TECHNOLOGY SERVICES DEPARTMENT WITH COMPUTERS, SERVERS, PERIPHERALS, SOFTWARE, AND USED EQUIPMENT DISPOSITION SERVICES, ON AN ANNUAL CONTRACT BASIS FOR AN ESTIMATED ANNUAL COST OF \$3,900,000.00.**

\* \* \* \* \*

**WHEREAS**, an offer was submitted by Dell Marketing, L.P. to provide the IT Department with computers, servers, peripherals, software, and used equipment disposition services, on an annual contract basis for an estimated annual cost of \$3,900,000.00; and

**WHEREAS**, this contract will provide for the purchase of new equipment, and the optional disposition of used equipment; and

**WHEREAS**, this purchase meets the requirements under the terms of the State of Texas Cooperative Purchasing Agreement adopted by the City of San Antonio by Resolution No. 91-39-53 on September 12, 1991; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The offer of Dell Marketing, L.P. to provide the IT Department with computers, servers, peripherals, software, and used equipment disposition services, on an annual contract basis for an estimated annual cost of \$3,900,000.00 is hereby accepted, subject to and contingent upon the deposit of all required bonds, performance deposits and insurance certificates. A copy of the bid tabulation sheet is attached hereto and incorporated herein for all purposes as Exhibit A. A copy of the Dell/DIR contract is available for inspection at the offices of Purchasing & General Services. The City Manager, Director of Purchasing & General Services and Director of Information Technology, or their designees, are hereby authorized to negotiate the specific terms of the optional used equipment disposition component of this contract, subject to the approval of the City Attorney.

**SECTION 2.** This ordinance shall take effect June 18, 2006.

**PASSED AND APPROVED** this 8<sup>th</sup> day of June, 2006.



M A Y O R

**PHIL HARDBERGER**

ATTEST:



City Clerk

APPROVED AS TO FORM:



City Attorney

CITY OF SAN ANTONIO  
BID TABULATION

**Exhibit A**

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

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 its 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 \$:

Table with 2 columns: Bid Number and Title, Contract Period, Method of Procurement, Price Trend. Row 1: A1008-06-LB Annual Contract for Computers, Servers, Peripherals and Software; Row 2: Upon Award through 12-23-06 with three one-year options to extend; Row 3: State Contract - DIR contract no. DIR-SDD-192; Row 4: An estimated 5% decrease in price is anticipated

Contract Info: Formal [X] Annual [ ] Support/Maintenance [ ] Lease

Table with 2 columns: Contractor(s), Address. Row 1: Dell Marketing, LP, One Dell Way, Box 8707, Round Rock, Tx 78682; Row 2: Various DIR Authorized Dell Distributors

Previous Related Council Action(s):

Table with 2 columns: Date, Agenda Item #, Action. Multiple rows for tracking previous council actions.

Anticipated Future Requirements and Actions:

Comments:

Using ITSD
Department:

CITY OF SAN ANTONIO  
BID TABULATION

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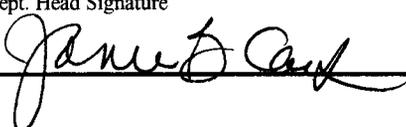
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		CITY OF SAN ANTONIO	For CMO use only
Approval		Request For Ordinance/Resolution	Date Considered
Finance	Budget		Consent <input type="checkbox"/> Individual <input type="checkbox"/>
Legal Lauren O'Connor 207-2834	Coordinator		Item No. <u>6</u> Ord. No.

Date: 5-25-06	Department: Purchasing & General Services	Contact Person/Phone #: Corine Cardenas/207-2763
Date for Council Consideration: 6-8-06	Deadline for Action: 6-8-06	Dept. Head Signature 

**SUMMARY OF ORDINANCE**

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]

Other Depts., Boards, Committees Involved (please specify): ITSD

Contract signed by other party  
Yes  No

**FISCAL DATA (If Applicable)**

Amount Expended      \$3,900,000.00

Fund                      SAP GL  
                                    Account

\*Cost  
Center

\*Internal                      \*WBS  
Order                              (Capital  
No.                                      Proj.)

\*(Fill out only the field that is appropriate to your council action.)

Funds/Staffing Budgeted      Yes       No

Positions Currently  
Authorized                      Yes       No

Impact on future O  
& M

If positions added, specify Class and Job No.

**Comments:**

**ORDER:**

**FUNDS CENTER:**

**FUNCTIONAL AREA:**

Please submit 3 copies with your original