



DEPARTMENT OF
FINANCE

PROCUREMENT SERVICES DIVISION

CITY OF SACRAMENTO
CALIFORNIA

June 18, 1996

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City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: ALTERNATIVE METHODS FOR STREAMLINING THE PURCHASE OF MICROCOMPUTERS, RELATED PERIPHERAL EQUIPMENT, AND SOFTWARE

LOCATION AND COUNCIL DISTRICT: City-wide - All Districts

RECOMMENDATION:

Staff recommends that the City Council approve the attached Resolution which authorizes the suspension of formal competitive bidding and the use of alternative methods for streamlining the purchase of microcomputers, related peripheral equipment, and software.

CONTACT PERSON: Toba Goddard, Technical Services Administrator, 264-5081
Bob Holbrook, Procurement Services Manager, 433-6202

FOR COUNCIL MEETING OF: July 2, 1996

SUMMARY:

This report provides staff's recommendation that the City Council suspend formal competitive bidding and authorize the use of alternative procurement methods for the purchase of microcomputers (PC's), related peripheral equipment, and software.

BACKGROUND:

In the context of the 1990 Technology Master Plan, staff received approval from the City Council to narrow the choices of microcomputer hardware and software that are to be acquired by City departments. Among the reasons for this standardization were to:

- ◆ Allow for more efficient and timely repair and parts replacement;
- ◆ Avoid acquiring equipment that does not meet the minimum specifications necessary to successfully handle City program needs;
- ◆ Optimize the use of existing technical staff;

- ◆ Allow for better, more uniform knowledge of technology used by the City;
- ◆ Achieve economies of scale for larger-volume purchases;
- ◆ Take advantage of the use of common software and hardware to achieve increases in productivity City-wide;
- ◆ Ensure a minimum level of product quality and component compatibility so that City systems can be properly supported.

Over time, complaints have been received regarding delays in purchasing bundled equipment orders, and about perceived pricing gaps between what the City pays for computer equipment and pricing that is available in the general marketplace. Because the City's technical requirements are typically more complex than those of the average "home PC purchaser", the prices paid by the City for PC's and related equipment sometimes seem "too high" compared with widely-advertised equipment. However, when price comparisons include the same technical and vendor service requirements as those set by the City, it is both difficult and infrequent to find more favorable pricing than that paid by the City. For relevant detail, please see Attachment "A" for cost-comparisons, and Attachment "B" for examples of typical processing times for City PC equipment purchases. It should be noted that the City's equipment and service requirements are more stringent than those needed by the "home PC purchaser" due to the heavy and continuous use and the need for program compatibility and, in many cases, inter-connectivity.

In response to the concerns that have been expressed regarding acquisition time and cost of microcomputer equipment, Procurement Services has taken steps to streamline the process. Time allowed for response to informal bids has been shortened, and bids have been structured to allow re-use on subsequent purchases of the same products. Now, to facilitate further efficiencies, staff recommends Council approval of the use of alternative purchase methods. The availability of the alternative methods should allow staff to take the fullest possible advantage of opportunities as they occur in the rapidly-changing (as frequently as day-to-day) microcomputer marketplace. In the interest of ensuring that products of appropriate quality are acquired, staff intends to maintain the current requirement that PC and related peripheral equipment purchases be pre-screened by I/CS for conformance with established City technical and vendor service standards. The alternatives proposed for use in acquiring PC's and related peripheral equipment are:

- ◆ Use of informal competitive bidding, which has proven to work successfully and which provides broad vendor participation opportunities;
- ◆ State of California Cooperative Purchasing Program - offers contracts for computer software and some hardware at prices that may be advantageous (includes use of the California State Computer Store);
- ◆ California Multiple Award Schedules (CMAS) - Agreements that have been negotiated between the State of California and a broad range of vendors to supply a wide variety of equipment on favorable pricing schedules;
- ◆ Federal General Services Administration (GSA) Price Schedules - Pricing agreements that have been negotiated between the Federal government and a broad range of vendors to supply a wide variety of equipment at prices that are typically below those available in the general open market;
- ◆ Other government agency contracts - The City is increasingly attempting to work in partnership with other agencies, including the sharing of one another's contracts when mutually beneficial to do so;
- ◆ Contracts negotiated by City Procurement Services staff with vendors who agree to provide favorable pricing for products that are included on the City's list of microcomputer standards.

In order to maintain currency with technological change and at the same time facilitate purchases in the most cost-effective and timely manner possible, staff recommends that the above options be authorized for use in purchasing

PC's and related peripheral equipment. Staff will select the option most advantageous to the City on a case-by-case basis.

FINANCIAL CONSIDERATIONS:

The recommendations in this report are intended to facilitate purchases of microcomputers and related peripheral equipment in the most cost-effective manner possible through the use of an array of options. Funding will come either directly from individual organizations, through the Capital Improvement Projects budgets, or as may otherwise be budgeted and approved by the City Council. Any purchases which require a total expenditure of \$50,000.00 or more will be approved by the Technology Steering Committee prior to purchases being made.

ENVIRONMENTAL CONSIDERATIONS:

Ongoing administrative and maintenance activities, such as purchase of supplies, equipment or materials which are not made for purposes of a public works construction project, do not constitute a "project" and are exempt from the California Environmental Quality Act (CEQA). CEQA Guidelines, Sections 1506(b)(1), 15378(b)(3).

POLICY CONSIDERATIONS:

The recommendations in this report are in accordance with the provisions of City Code Section 57.04.401(c), which authorizes suspension of formal competitive bidding upon a two-thirds vote of the City Council. The recommendations are also in conformance with the Council's direction to seek new and improved methods for service delivery and to partner with other governmental agencies when doing so will result in greater efficiencies for the City.

MBE/WBE EFFORTS:

The alternative methods of procurement recommended for the purchase of microcomputers and peripheral equipment will provide broad opportunity for vendor participation. M/WBE firms have proven to be very successful in the informal competitive bidding process for supplying this type of equipment to the City. Staff intends to continue to actively seek M/WBE vendor participation.

Respectfully Submitted,



Robert B. Holbrook
Procurement Services Manager

RECOMMENDATION APPROVED:

for 
WILLIAM H. EDGAR
City Manager

**Personal Computer Price Comparisons
PC's Meeting City Requirements v.s. Home User PC's**

| 100 MHz Pentium PC (Costs/Features Listed Below) | Vendor PC Focus | Vendor AmeriData | Vendor CompUSA | Vendor Circuit City |
|-------------------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------------|-------------------------------------------|----------------------------------------------------------------------|
| Machine Brand | DFI | DFI | Compaq | NEC |
| Base Price | \$1,350.00 | \$1,623.00 | \$1,529.00 | \$1,799.00 |
| 3.5" Diskette Drive | Included | Included | Included | Included |
| 16 MB RAM | Included | Included | With 8 MB; Add \$140 for add'l 8 MB | Included |
| 1.2 GB IDE Hard Drive | Included | Included | Included | Included |
| SVGA Display Adapter 1 MB | Included | Included | Included | Included |
| 14" SVGA Monitor | Included | Included | Included | \$500.00 |
| Microsoft PS/2 Mouse | Included | Included | Included | Included |
| Quad-speed Internal IDE CD-ROM | Included | Included | Included | Included |
| Windows for WorkGroups 3.11 Pre-Installed | Included | Included | Included | Included |
| Pre-delivery System "Burn-in" | Included | ? | ? | ? |
| Warranty Info | 1-Year on-site included; 3-Year available at extra cost | 1-Year carry-in included; On-site available at extra cost | Warranty info not available | 1-Year manufacturer warranty; 4-Year in-home at \$299.00 |
| Full compliance w/City specs | Yes | No | No | No |
| Comments/Additional Info | "City" PC; City bid price | "City" PC (except warranty); CMAS Price | Home User PC; Phone Quote | Home User PC; Newspaper Ad Price |
| TOTAL COST: | \$1,350.00 | \$1,623.00 | \$1,669.00 | \$2,299.00 |

RESOLUTION NO. 96 . 362

ADOPTED BY THE SACRAMENTO CITY COUNCIL

APPROVED
BY THE CITY COUNCIL
JUL 2 1996
OFFICE OF THE
CITY CLERK

ON DATE OF _____

RESOLUTION AUTHORIZING SUSPENSION OF FORMAL COMPETITIVE BIDDING AND THE USE OF ALTERNATIVE METHODS FOR THE PURCHASE OF MICROCOMPUTERS, RELATED PERIPHERAL EQUIPMENT, AND SOFTWARE

WHEREAS, the City of Sacramento intends to facilitate the acquisition of microcomputers, related peripheral equipment, and software in the most cost-effective, timely, and efficient manner in order to maintain technological efficiency,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO, TWO-THIRDS (2/3) OF ALL MEMBERS VOTING IN FAVOR THEREOF:

That pursuant to Section 57.04.401(c) of the Sacramento City Code, it is hereby determined to be in the best interest of the City to suspend formal competitive bidding, and to authorize City Manager to execute the purchase of microcomputers, related peripheral equipment, and software by the use of one or more of the following:

1. Informal competitive bidding;
2. State of California Cooperative Purchasing Program;
3. California Multiple Award Schedules (CMAS);
4. Federal General Services Administration (GSA) Price Schedules;
5. Use of other government agencies' contracts
6. Use of contracts negotiated by City Procurement Services staff with vendors who agree to provide favorable pricing for products that are included on the City's list of microcomputer standards.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____