City Council Report

Date: September 23, 2019

To: City Council

Through: Mike Kennington, Deputy City Manager/Chief Financial Officer

From: Edward Quedens, Business Services Director
        Matt Bauer, Procurement Administrator

Subject: Dollar Limit Increase to the Term Contract for Information Technology Solutions and Services for Various Departments throughout the City **(Citywide)**

Purpose and Recommendation

Council is requested to approve the contract amendment as recommended.

The Business Services Department and Purchasing recommend increasing the dollar limit with CDW Government LLC; and SHI International Corp.; for Years 2 through 5, from $3,100,000 to $6,000,000 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

Background / Discussion

Mesa, as the lead agency, partnered with the National Intergovernmental Purchasing Alliance Company (National IPA - now Omnia Partners) and led the solicitation that created this term contract for IT Solutions and Services. This contract provides the City and participating agencies a full range of information technology solution products and services to meet varying requirements of governmental agencies. The contract is available to over 45,000 public agencies nationally, including state and local governmental entities, public and private primary, secondary and higher education entities, non-profit entities, and other agencies for the public benefit through Omnia Partners cooperative purchasing program. The scope of products and services available under these contracts include standard business and high-end workstations, laptop and notebook computers, network equipment, computer and network products and peripherals, monitors, various cloud, consulting, and technical support services, financing (leasing and conditional sales for related products), various software products, and the contractor's comprehensive product offering.

When this contract agreement was initially awarded on 2/5/2018, the City estimated expenditures based on the past volume of purchases through CDW-G and SHI. The City is in Year 2 of the contract, and the City's expenditures have increased higher than originally estimated. The contract spend has increased for several reasons:

1. Through the use of this agreement, the City has identified that this contract provides very competitive pricing and a more efficient vehicle for acquiring IT products and support services.

2. Many of the maintenance agreements and IT related projects the City previously purchased were through various cooperative contracts and those purchases have proven more cost effective through this agreement.
   - Approximately 20 of the top 30 purchases made against this agreement are for software licenses/renewals to maintain existing software systems (SMARTnet, NetScout, ProofPoint, Adobe, MaaS360, VMWare) and account for over $2.3 million dollars spent against this agreement since March 2019.
   - Several IT projects have been added to this agreement, including the PD CAD/RMS project ($186,613.90), Violin Flash Array setup ($135,698.97), and Cisco Network Equipment ($213,352.62).
3. Additionally, the City has worked to move a large number of previously non-contracted IT items to this contract agreement to receive the better pricing and spend visibility.
4. Purchases made through this contract agreement provide the City increased rebates through the Omnia Partners rebate (last year was over $256K) and use of p-card (over $25K in rebates from this contract alone).

Purchase Information

Action: Amendment
Procurement Type: Request for Proposals
Contract Number: 2018011
Initial Contract Term: Five years
Possible Renewals: Up to a maximum of two years, renewals subject to Administrative review and approval
Funding Source: Individual Department operating budget using the contract

Original Council Award Date: 2/5/2018
Dollar Limit History

Original Award (Years 1 through 5):	$3,100,000.00
Increase Request 9/23/2019 (City of Mesa):	$2,900,000.00
New Contract Value (Years 2, 3, 4 and 5 – through 2/28/2023):	$6,000,000.00