



CITY OF LONG BEACH

R-20

DEPARTMENT OF TECHNOLOGY AND INNOVATION

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May 19, 2015

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. RFP TI 15-023 and award a contract to SIGMAnet, Inc., of Ontario, CA, to provide personal computer (PC) replacement and installation services in an annual amount not to exceed \$125,000, and authorize a 20 percent contingency in the amount of \$25,000, for a total amount not to exceed \$150,000, for a period of two years, with the option to renew for two additional one-year periods, at the discretion of the City Manager. (Citywide)

DISCUSSION

City Council approval is requested to enter into a contract with SIGMAnet, Inc. (SIGMAnet), to provide personal computer (PC) replacement and installation services.

The Customer Services Bureau of the Technology & Innovation Department (TI) is responsible for maintaining over 4,000 PCs. For the last ten years, the City has maintained a four-year replacement cycle for its personal computer (both desktop and laptop) assets. In an effort to reduce PC-related expenditures, the City implemented a four-year cycle as part of the City's Financial Strategic Plan.

Leading information technology industry experts, such as Gartner, Inc., have found that the average lifespan of a personal computer is 43 months and, therefore, recommend a four-year replacement cycle to achieve the lowest total cost of ownership. By refreshing personal computers every four years, the City workforce benefits from reduced PC downtime resulting from hardware failures and from faster, more robust machines.

In order to ensure that PCs are replaced on schedule, the City must replace between 600 and 1,000 computers per year, depending upon actual deployment dates. For the last ten years, TI has contracted with private sector firms to assist in the installation of these PCs to reduce costs, increase efficiency, and improve service delivery. This sourcing strategy is cost-effective and is responsive to TI's customer departments' needs. Using an outside firm that specializes in this area also addresses a recommendation from a third-party efficiency study to streamline information technology operations. Implementing this strategy has allowed TI personnel to focus on other high priority activities, such as providing more timely response to problems reported to the Help Desk by TI customers.

A Request For Proposals (RFP) was advertised in the Press Telegram on October 28, 2014 and 4,324 potential proposers specializing in Information Technology Professional Services were notified of the RFP opportunity. Of those proposers, 54 downloaded the proposal via our electronic bid system. The RFP document was also made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at www.longbeach.gov/purchasing. An RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 30 local, minority and women-owned business groups. Ten proposals were received on November 18, 2014. Of those ten proposals, two were Minority-owned Business Enterprises (MBEs), four were Women-owned Business Enterprises (WBEs), three were certified Small Business Enterprises (SBEs), and none were Long Beach businesses (Local).

A four-member selection committee, comprised of staff and managers from the Technology and Innovation Department, evaluated the ten proposals against the criteria stated in the RFP. The committee determined SIGMAnet, Inc., of Ontario, CA (a WBE, not a MBE, SBE, or Local), submitted the most qualified and responsive proposal, proving the best value for the City's needs based on criteria in the RFP including, but not limited to cost, demonstrated competence and experience in the performance of comparable engagements.

SIGMAnet employs an industry standard deployment process which they have used successfully for several PC deployment engagements. SIGMAnet's deployment process will create efficiencies and greatly reduce deployment time. SIGMAnet also has several project managers and technicians on staff, which will allow them to respond quickly to fluctuation in week-to-week deployment needs. Further, SIGMAnet's proposed installation cost was among the lowest of all proposers, and significantly lower than the current cost.

Since the number of personal computers to be replaced fluctuates between 600 and 1,000 every year, it is recommended that the agreement be written in an annual amount not to exceed \$150,000, including the recommended 20 percent contingency. This amount may be less during years with fewer replacements. It is also anticipated that, through the implementation of desktop virtualization, the number of physical computer replacements will slowly decrease over time, thus reducing the level of annual expenditures for PC replacements. Contract costs for the previous three-year replacement and installation agreement that expired in September, 2014 averaged approximately \$194,000 per year.

Local Business Outreach

In an effort to align with our outreach goal, Long Beach businesses are encouraged to submit proposals for City contracts. The Purchasing Division also assists businesses with registering on the Bids Online database in order to download the RFP specifications. Through outreach, 425 Long Beach vendors were notified to submit proposals, of which two downloaded and none submitted a proposal. The Purchasing

Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Deputy City Attorney Kendra Carney on April 28, 2015 and by Budget Management Officer Victoria Bell on April 30, 2015.

TIMING CONSIDERATIONS

City Council action is requested on May 19, 2015 in order to allow for the timely execution of the agreement and ensure that PC replacements can proceed on schedule.

FISCAL IMPACT

Annual contract costs for PC replacement and installation services will not exceed \$150,000, including the recommended 20 percent contingency of \$25,000. Sufficient funding is budgeted in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) to support this activity. Costs are recovered from client departments and are budgeted in the annual TI MOU. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRIS WILDING
INTERIM DIRECTOR OF TECHNOLOGY AND INNOVATION



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



PATRICK H. WEST
CITY MANAGER