Legislation Details (With Text)

File #:	18-0534	**Version:**	1	**Name:**	TI/FM - Piggyback contracts
Type:	Resolution			**Status:**	Adopted
File created:	5/31/2018			**In control:**	City Council
On agenda:	6/19/2018			**Final action:**	6/19/2018

Title: Recommendation to adopt resolution authorizing City Manager, or designee, to execute a contract, and any necessary amendments, with GovConnection, Inc., dba Connection, of Merrimack, NH, for furnishing, delivering, and installing data center systems equipment, telecommunications equipment, and user devices, on the same terms and conditions afforded to Region 4 Education Service Center (ESC), of Texas, through the National Intergovernmental Purchasing Alliance-The Cooperative Purchasing Network (National IPA-TCPN), in an amount not to exceed $11,222,500 for the first year; thereafter, an annual amount not to exceed $2,866,000, for ongoing lifecycle replacement of equipment and new incremental technology growth, until the current contract expires on July 31, 2019, with the option to renew for as long as that contract is in effect, as needed;

Sponsors:

Indexes:

Code sections:

Attachments: 1. 061918-R-39sr&att.pdf, 2. RES-18-0089.pdf

Date	Ver.	Action By	Action	Result
6/19/2018	1	City Council	approve recommendation and adopt	Pass

Recommendation to adopt resolution authorizing City Manager, or designee, to execute a contract, and any necessary amendments, with GovConnection, Inc., dba Connection, of Merrimack, NH, for furnishing, delivering, and installing data center systems equipment, telecommunications equipment, and user devices, on the same terms and conditions afforded to Region 4 Education Service Center (ESC), of Texas, through the National Intergovernmental Purchasing Alliance-The Cooperative Purchasing Network (National IPA-TCPN), in an amount not to exceed $11,222,500 for the first year; thereafter, an annual amount not to exceed $2,866,000, for ongoing lifecycle replacement of equipment and new incremental technology growth, until the current contract expires on July 31, 2019, with the option to renew for as long as that contract is in effect, as needed;

At a City Council study session on October 24, 2017, staff presented an overview of unfunded critical technology infrastructure needs totaling $88 million. On December 5, 2017, the City Council approved staff bringing forward, for future City Council consideration, $67 million of proposed purchases and financing for various items encompassing three categories of unfunded critical technology infrastructure needs:

1) Installing a fiber optic system to interconnect City buildings to save on current and future communication costs and to form a basis for a potential future digital inclusion;

2) Replacing outdated technology that is becoming unreliable and will not support new

systems or the new Civic Center; and,

3) Furnishing needed systems to meet key critical City needs and prevent malicious system attacks, data loss, or service outages.

The remaining $21 million is in a fourth need category, replacing public safety communications technology, which was not recommended for action at that time as additional information pertaining to extended support was anticipated to become available at a later date.

City Council approval is requested to procure a substantial portion of the technology and associated installation services identified above. This includes equipment for the City's data center, network communications, audio/video systems, security cameras, and cyber security systems. The installation services to be provided by the vendors is related to one-time projects and requires experience with either specialized equipment or software. Most of the equipment will be deployed at, or connected to, the new Civic Center and will replace end-of-life infrastructure technologies that are not capable of supporting the new Civic Center and the City's modern and growing technological needs.

The total first year cost for the equipment procurement and installation will not exceed $30,524,000. This amount is made up of $19,254,000 for equipment previously identified to the City Council in the equipment and technology systems categories of the critical technology infrastructure needs presentation to City Council on December 5, 2017. In addition, $7,790,000 of the annual purchasing authority is on an as needed basis for technology systems, equipment installation and contingency. This will allow staff to move purchasing authority between these contracts and provide the flexibility needed to ensure product availability to meet project timelines. The remaining $3,480,000 is for one-time technology systems and equipment already included in the existing FY 18 budget.

Table 1: Technology Infrastructure Authorization ($ in Millions)

	Systems & Equipment Cost	**Installation & Configuration Cost**	**Total Cost**
Critical Technology Infrastructure Needs			
Data Center	$3.29	$0.25	$3.54
Network Communications	$4.30	$0.19	$4.49
PC Replacements	$0.00	$0.15	$0.15
Fiber	$0.50	$0.0	$0.50
Wireless	$1.46	$0.13	$1.59
Security Cameras	$0.52	$0.07	$0.59
Equipment	$3.29	$0.44	$3.73
EDMS	$0.60	$0.0	$0.60

Cyber	$2.71	$1.35	$4.06
Sub-Total	**$16.67**	**$2.58**	**$19.25**
As needed Technology Spending and Contingency			**$7.790**
Existing Budgeted Technology Systems and Equipment			**$3.480**
Total			**$30.524**

City Charter Section 1802 provides an alternative procurement method by permitting the City to purchase or otherwise obtain services, supplies, materials, equipment, and labor with other governmental agencies by purchasing under their contracts on a voluntary and selective basis when authorized by a Resolution of the City Council. Cooperatives are managed relationships where one entity will act as the lead agency by bidding and awarding contracts, which can then be used by other governmental and non-profit agencies. Cooperative purchasing agreements combine the requirements of two or more public procurement entities to leverage the benefits of volume purchases, delivery and supply chain advantages, best practices, and the reduction of administrative time and expenses. Generally, the originating entity/agency will competitively award a contract that will include language allowing for other entities to utilize the contract with pre-determined pricing. This concept brings higher levels of efficiency to agencies because it allows one procurement process rather than many. Additionally, under cooperative purchasing agreements, vendors are bidding to provide goods and services to many agencies instead of just one so they can afford to offer steeper discounts to the end users of a contract, which can allow those agencies to benefit from economies of scale that they would otherwise not receive if they competed on their own.

Cooperative purchasing agreements are a highly-effective means for procuring the critical technology equipment. Staff selected specific contracts based on the type of equipment offered and the level of pricing discount provided. These contracts were then reviewed to make sure they met the City's procurement, as well as legal requirements, and are consistent with the policies and principles of government contracting. The proposed Resolutions allow purchases under each agreement for as long as they are in effect, and the City's participation may be terminated at any time with 30 days' prior written notice.

Staff is proposing to enter into three cooperative agreements with GovConnection, Inc.; EMC Corporation; and Office Depot, Inc., for the acquisition of technology-related equipment and software. Three agreements are proposed because each cooperative provides a different inventory of items available for purchase, some that may be the same (or equivalent) to the other providers, and some that may be exclusive to a particular contract. In those instances, where multiple providers offer the same equipment, the City will have the opportunity to choose the lower-priced, or deeper-discounted, items and/or select the vendor based on their ability to deliver the equipment within construction timelines and/or logistical constraints. Staff is also proposing to enter into a fourth cooperative agreement with Computer Aid, Inc., to provide highly skilled and specialized project management and installation support that can be deployed rapidly to meet the City's critical project timeline needs to help address this large increase in workload over a short-time period.

The specific agreements proposed for use are shown in Table 2.

Vendor	Cooperative Contract	Equip/Software Type	Contract No.
GovConnection, Inc.	Region 4 Education Service Center for the State of Texas, National Intergovernmental Purchasing Alliance -The Cooperative Purchasing Network	Data Center Systems Telecommunications User Devices	R160202
EMC Corporation	State of Minnesota, WSCA-NASPO Cooperative Procurement Program	Data Center Systems	MNWNC-109
Office Depot, Inc.	Region 4 Education Service Center for the State of Texas, National Intergovernmental Purchasing Alliance -The Cooperative Purchasing Network	Data Center Systems Telecommunications User Devices	R160204
Computer Aid, Inc.	National Joint Powers Alliance	None	020817-CAI

City Council approval is also requested to execute multiple lease-purchase agreements with terms not to exceed 15 years through the City's Master Lease Agreement with Banc of America Public Capital Corp., for the financing of equipment. The debt service and/or combined lifecycle costs will be approximately $4,228,000 a year.

This matter was reviewed by Deputy City Attorney Amy R. Webber on June 4, 2018 and by Budget Management Officer Rhutu Amin-Gharib on May 31, 2018.

City Council action is requested on June 19, 2018, to ensure contracts are in place expeditiously and these acquisitions can be made in a timely manner.

The total first year cost for the equipment procurement and installation will not exceed $30,524,000. The Technology and Innovation Department has funds budgeted in the amount of $3,480,000 for one-time technology systems and equipment, which is included in the first year purchasing authority limit. There is also $7,790,000 included in the first year purchasing authority limit on an as needed basis for technology systems, equipment installation and contingency. There is no appropriation increase requested for the contingency portion of the purchase at this time. Any work not currently budgeted will only proceed at such time that

appropriations have been approved by the City Council. An appropriation increase for the remaining equipment and software purchases, installation, and implementation in the amount of $19,254,000 is requested in the General Services Fund (IS 385) in the Technology and Innovation Department (TI), offset by the proceeds of the lease-purchase financing and charges to user departments and funds and potential short-term internal loans between funds.

The lease payments for the total debt service of $21,411,000 will be made throughout the next 15 years and will not exceed $4,228,000 per year. The FY 18 portion of the debt service payments, inclusive of escrow fees is projected at $1,057,000. There is sufficient appropriation in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) to fund these costs in FY 18. If the combined costs of debt service related to critical technology infrastructure investments exceeds current appropriation, a budget adjustment may need to be requested at year-end and will be offset by charges to user departments and funds. This funding plan is consistent with the plan detailed in the December 5, 2017, critical technology infrastructure needs presentation to the City Council. Some of the cash costs and the debt service costs for future years will be incorporated into the FY 19 Technology and Innovation Department's budget and charged out to user departments, which is also consistent with the critical technology infrastructure needs funding plan.

These agreements provide continued support to our local economy by assisting in the preservation of employment for an estimated 290 full-time employees residing in Long Beach.

[Enter Body Here]

LEA ERIKSEN
INTERIM DIRECTOR OF TECHNOLOGY AND INNOVATION

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER