



Legislation Details (With Text)

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Title:	AUTHORIZATION TO AMEND CONTRACT C-8671 WITH INSIGHT PUBLIC SECTOR, INC. Staff Contact: Tom Duensing, Director, Finance and Technology				

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Attachments: 1. Insight Contract Amendment_C-8671-1, 2. C-8671_Insight Linking Agreement, 3. State Contract_4400001195_Insight Public Sector

Date	Ver.	Action By	Action	Result
4/14/2015	1	City Council	approved	Pass
3/24/2015	1	City Council	referred	

AUTHORIZATION TO AMEND CONTRACT C-8671 WITH INSIGHT PUBLIC SECTOR, INC.

Staff Contact: Tom Duensing, Director, Finance and Technology

Purpose and Recommended Action

This is a request for City Council to approve Contract Amendment No. 1 (C-8671-1) with Insight Public Sector Inc., and to approve expenditure authority in the amount of \$460,000 for the remainder of FY 14-15, and \$960,000 for FY 15-16, for a total contract amount of \$1,420,000. On 10/22/2013, Council approved the Linking Agreement with Insight (C-8671) and expenditure authority of \$500,000 per year for mass replacement of City PCs and additional hardware. An additional \$460,000 of spending authority is being requested for this fiscal year and next to purchase hardware including, but not limited to, PCs, laptops and printers, as well as software maintenance. The approval of this amendment will extend the Insight agreement from 04/14/2015 to 04/30/2016.

Due to an emergency purchase made with HP in the amount of \$189,000, the remaining amount to be spent this fiscal year with Insight is \$271,000.

Background

This fiscal year, 69% (\$1.6M asset cost) of the PCs being used in the City are past their replacement date. Maintaining the hardware employee's use on a daily basis is crucial to all City functions and services. Computer replacement is necessary because equipment fails, exceeds its service life where replacement parts are no longer available, or related technology, such as operating systems or application software, specify newer units as a requirement to operate. Due to the reduced replacement fund budget that occurred from 2007 through 2013, only the PCs that physically ceased to operate were replaced. The number of PC's replaced annually from 2006-2009 averaged 437 per year. From 2010 to the beginning of 2014 the annual

number of pc replacements dropped to 39 annually. In addition to desktop computers (PCs), printers, servers and other devices required for City operation are in need of replacement to include 67% of printers and 70% of servers.

The approval of this expenditure request enables the IT department to quickly order replacements for non-functioning equipment. Insight Public Sector, Inc. is a provider of technology software, hardware, software maintenance, support and technical services, and provides the City best pricing through Cooperative purchasing.

Cooperative purchasing allows counties, municipalities, schools, colleges and universities in Arizona to use a contract that was competitively procured by another governmental entity or purchasing cooperative. Such purchasing helps reduce the cost of procurement, allows access to a multitude of competitively bid contracts, and provides the opportunity to take advantage of volume pricing. The Glendale City Code authorizes cooperative purchases when the solicitation process utilized complies with the intent of Glendale's procurement processes. This cooperative purchase is compliant with Chapter 2, Article V, Division 2, Section 2 -149 of the Glendale City Code, per review by Materials Management.

Analysis

Information Technology regularly compares pricing among vendors to ensure the City is getting the best possible value. Insight is a large volume supplier and provides a wide array of products and services at lower contract pricing as compared to other cooperative contract vendors. Based on their product breadth and pricing, the City will continue to purchase product and services from Insight, thus requiring the existing contract expenditure amount to be increased.

This Council agreement will maintain compliance with the City's policy of identifying expenditures which may exceed \$50,000 per year with a single vendor. Previously, multiple purchases were made to this vendor throughout the fiscal year which individually or collectively would have exceeded the \$50,000 threshold. If approved, the annual expenditure amount with Insight Public Sector for this contract will be consolidated under this council request and will not exceed \$960,000 per year. The expenditure authorization being requested is budgeted and paid from the Technology Fund and no additional funding is being requested.

Previous Related Council Action

On 10/22/2013 City Council approved the Linking Agreement (C-8671) with Insight Public Sector, Inc.

This item was tabled at the 03/24/2015 Voting Meeting and reviewed at the 04/07/2015 Workshop.

Community Benefit/Public Involvement

Purchasing from cooperative contracts provides both competitive and optimal pricing for equipment and services.

Budget and Financial Impacts

The additional \$460,000 requested brings this fiscal year's expenditure authority to \$960,000. The emergency purchase amount of \$189,000 will be deducted from the \$460,000, leaving \$271,000 to be spent with Insight for the remainder of FY 14-15. The amount budgeted in the TF next fiscal year will fluctuate based on organizational needs and replacement schedules, but will not exceed \$960,000.

Cost	Fund-Department-Account
\$271,000	1140-11530-521000 - Technology Fund

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No