



Legislation Details (With Text)

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Title: AUTHORIZATION FOR THE EXPENDITURE OF FUNDS AND TO ENTER INTO A LINKING AGREEMENT WITH SHI INTERNATIONAL CORP., FOR SOFTWARE
Staff Contact: Chuck Murphy, Chief Information Officer, Innovation and Technology

Sponsors:

Indexes:

Code sections:

Attachments: 1. Linking Agreement

Date	Ver.	Action By	Action	Result
2/28/2017	1	City Council	approved	Pass

AUTHORIZATION FOR THE EXPENDITURE OF FUNDS AND TO ENTER INTO A LINKING AGREEMENT WITH SHI INTERNATIONAL CORP., FOR SOFTWARE

Staff Contact: Chuck Murphy, Chief Information Officer, Innovation and Technology

Purpose and Recommended Action

This is a request for City Council to authorize the City Manager to enter into a Linking Agreement with SHI International Corp. (SHI), for a term commencing upon approval of the agreement and ending on August 31, 2018 and to authorize the City Manager, at their discretion, to renew the agreement for three additional one-year period until August 31, 2021. Through an RFP process by Maricopa County, SHI has been awarded a S.A.V.E. Cooperative purchasing agreement. This request also includes approval of expenditure authority in an amount not to exceed \$4,250,000 over the life of the agreement.

Background

The City previously used SHI as the State's Software Value Added Reseller (SVAR) agreement for the procurement of software license and maintenance and support from many vendors including but not limited to Adobe, Oracle, Microsoft, VMware, Sophos, and ManageEngine. The State has issued their SVAR agreement to another vendor (CDW-G) and the City must establish a new linking agreement with SHI to continue utilizing their services.

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 Purchasing.

Analysis

The State has chosen CDW-G as their sole SVAR vendor replacing SHI. While the SVAR pricing is anticipated to be the lowest cost available, the City is pursuing a Linking Agreement with SHI utilizing the S.A.V.E. cooperative purchasing agreement to evaluate the pricing and vendor services from both resellers. This will be beneficial to the City from a competitive pricing perspective in addition to establishing purchasing relationships with two major vendors. These agreements with multiple vendors will ensure that the City can continue maintenance on critical enterprise software, and reduce the risk of experiencing any interruption in service from a single vendor.

Previous Related Council Action

On August 12, 2014, Council approved Linking Agreement C-9179 with SHI International Corp., the purchase of the renewal of the City's Microsoft EA Agreement in the amount of \$275,661.78, and the City's Oracle PeopleSoft renewal in the amount of \$540,252.64.

On March 24, 2015, Council approved expenditure authority with SHI in the amount of \$1,087,000 per year.

On January 26, 2016, Council approved an increase in expenditure authority with SHI in the amount of \$265,054.

Community Benefit/Public Involvement

The ability to obtain competitive pricing from multiple vendors provides a higher level of cost saving potential when acquiring products and services.

Budget and Financial Impacts

The amount budgeted in the Information Technology Fund will fluctuate based on annual budget capacity and replacement needs. It is estimated to be approximately \$850,000 per year.

Cost	Fund-Department-Account
\$850,000	2591-18402-522700, Information Technology

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?