Legislation Text

File #: 16-510, **Version:** 1

AUTHORIZATION FOR THE EXPENDITURE OF FUNDS AND TO ENTER INTO A LINKING AGREEMENT WITH CDW GOVERNMENT, LLC, FOR TECHNOLOGY HARDWARE AND SERVICES

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 CDW Government, LLC (CDW-G), using the National IPA Cooperative Purchasing Agreement (NIPA), for a term commencing upon approval of the agreement and ending on August 15, 2017, and to authorize the City Manager, at their discretion, to renew the agreement for an additional one-year period until August 18, 2018. Under the terms of the agreement, CDW-G will provide hardware, software and services to the city using the NIPA Agreement. This request also includes approval of expenditure authority in an amount not to exceed $680,000 over the life of the agreement.

Background

Previously, the city has obtained much of its hardware and technology services from Insight Public Sector, INC. Insight Public Sector, INC. has a significant product portfolio and sells at volume levels that account for significant discounts using State contract pricing. CDW-G is a comparable national vendor that can provide similar products and services under the NIPA Agreement. While the city continues to maintain contracts with Insight, CDW-G has proven to be a valuable partner, and occasionally has quoted products at lower prices. The city believes it's beneficial to diversify purchasing practices and request bids from multiple contracted vendors.

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. CDW-G will provide an alternate and competing source of products and services at aggressive pricing through the NIPA contract.

With the opportunity to quote products and services from multiple contracted vendors, the City can compare

pricing, warranties, and shipping guarantees to ensure we are receiving the best pricing, and that products are delivered in a timely manner. While CDW-G will primarily be used to purchase server and network infrastructure such as storage, servers, routers and switches, they City will also request quotes for services such as our annual SmartNet maintenance. SmartNet provides support and service for hardware critical to City infrastructure. The City will also request quotes from CDW-G for standard desktop computers, laptops and printers which we're currently receiving from Insight. Based on cost comparison, and satisfaction with the vendor as a whole, the City could potentially shift more of its technology purchases from Insight to CDW-G.

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 Technology Replacement Fund will fluctuate based on annual budget capacity and replacement needs. It is estimated to be $340,000 per year.

Cost	Fund-Department-Account
$340,000	2591-18401-521000, Technology Replacement Fund

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?