



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Julia H. Cooper

SUBJECT: SEE BELOW

DATE: November 16, 2020

Approved

Date

11/20/20

**SUBJECT: REPORT ON REQUEST FOR BIDS FOR CITYWIDE PURCHASE
ORDERS FOR DESKTOPS, LAPTOPS, TABLETS, AND MONITORS**

RECOMMENDATION

Adopt a resolution authorizing the City Manager to:

- a. Execute purchase orders with ComputerLand of Silicon Valley (San José, CA) for desktops and Chromebook laptops; Saitech, Inc. (Fremont, CA) for android tablets; SHI International Corp. (Somerset, NJ) for desktops, Apple iOS tablets, and Apple MacBook Pro laptops; and Granite Data Solutions (Sacramento, CA) for monitors for a combined maximum not-to-exceed compensation of \$1,345,000 for the initial one-year term ending September 30, 2021, subject to the appropriation of funds.
- b. Amend purchase orders with Saitech, Inc. for 2-in-1 laptops to increase by up to \$217,000 for a maximum compensation of \$347,000, and SHI International Corp. for standard, large screen, ruggedized laptops to increase by up to \$750,000, for a maximum compensation of \$1,600,000 for the initial one-year term, subject to the appropriation of funds.
- c. Approve a contingency of \$800,000 for all purchase orders as required to meet unanticipated increases in demand for computers, tablets, and monitors during the initial term, subject to the appropriation of funds.
- d. Execute purchase orders for these products for up to four additional one-year options through September 30, 2025, subject to the appropriation of funds.

OUTCOME

Provide City departments with a quick and efficient process to purchase pre-approved desktop computers, laptop computers, tablet computing devices, and monitors to support City work.

BACKGROUND

City staffs require procurement vehicles to purchase a variety of desktops, laptops, tablets, and monitors, based on standards set by the Information Technology Department to maximize Citywide interoperability. Purchases are made on an as needed basis throughout the year. To facilitate this, Finance-Purchasing and the Information Technology Department collaborate to competitively bid these items periodically to ensure the City optimizes its value through volume pricing discounts, providing access to products with current and highly reliable technology features, and accelerating ordering processes for departments.

Citywide purchase orders are issued to allow City staff to purchase from a list of prequalified vendor products that reflect pricing established for the City through the competitive bidding process. Executing purchase orders for a variety of desktops, laptops, tablets, and monitors allows staff to order computing devices within prescribed requirements as their operational needs require and budgets permit.

Due to the need to expedite purchases to enable remote work as necessitated by COVID-19, and to spend available federal funds in a timely manner, some purchase orders have been issued under the City Manager's contract authority. The recommendation in this memorandum also includes a provision for increasing those purchase orders.

ANALYSIS

Request for Bids #1: Desktops, Laptops, and Tablets

(City-funded, included Local Business Enterprise (LBE)/Small Business Enterprise (SBE) Preference)

In June 2020, the Finance Department released a Request for Bids (RFB #1) for Citywide Desktops, Laptops, and Tablets through the City's e-procurement system, Biddingo. A total of forty (40) vendors viewed the RFB. Seven (7) vendors responded prior to the submittal deadline, and the bid results are as follows, with the bold, yellow highlighted cells designating the awarded vendors:

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#	Description	ComputerLand of Silicon Valley Adjusted for LBE/SBE Preference	Digital Gadgets LLC	EDX Information Systems, Inc.	MRC Smart Technology Solutions	Technology Integration Group	Saitech, Inc.	SHI International Corp.
1	Small Form Factor Standard Desktops	\$720.52	-	\$646.86	\$1,114.41	\$732.70	\$731.83	\$640.91
2	Mid Tower Workstation Desktop	\$1,025.92	-	\$1,035.33	\$1,581.11	\$1,087.56	\$1,117.79	\$1,053.46
3	Small Form Factor Workstation Desktop	\$991.80	-	\$1,039.86	\$1,590.61	\$1,073.54	\$1,102.75	\$1,062.33
4	Standard Laptops ⁺ (rebid required)	\$895.58	-	\$746.82	\$1,313.35	\$991.73	\$966.41	\$716.54
5	2-in-1 Laptops	\$1,413.93	-	*NR	\$1,814.44	*NR	\$1,301.25	*NR
6	Ruggedized Laptops	\$1,445.23	-	-	\$2,214.27	\$1,305.08	\$1,743.35	\$1,200.94
7	Chromebook Laptops	\$692.70	-	-	\$1,383.41	\$1,249.09	\$1,046.61	\$876.69
8	Apple MacBook Pro Laptops (rebid required)	*NR	**BW	-	-	*NR	*NR	*NR
9	Apple iOS Tablets	*NR	-	-	-	*NR	-	\$1,190.54
10	Android Tablets	\$908.68	-	-	\$732.89	\$745.16	\$562.40	\$587.37

*NR: Not responsive to this line item; did not meet City's minimum requirements.

**BW: Bid withdrawn.

+ Due to an error found in the City's minimum requirements for Standard Laptops, this item required a re-bid with corrected specifications.

Since RFB #1 did not yield a successful outcome for Laptops and MacBooks, the Finance Department released two new solicitations, RFB #2 and RFB #3, in September 2020 for these items.

RFB #2: Laptops and MacBooks
(City-funded, included LBE/SBE Preference)

A total of twenty-six (26) vendors viewed RFB #2. Responses were received from four (4) vendors prior to the submittal deadline, and the results are as follows:

#	Description	ComputerLand of Silicon Valley Adjusted for LBE/SBE Preference	ConvergeOne Inc.	Saitech, Inc.	SHI International Corp.
1	Standard Laptops @ Cost Plus % Markup	\$936.40	\$1,149.79	\$868.05	\$849.81
2	Large Screen Laptops @ Cost Plus % Markup	\$1,008.69	*NR	\$858.55	\$840.54
3	Apple MacBook Pro 13" Laptops @ Cost Plus % Markup**	\$1,427.56	\$1,433.51	-	\$1,330.12
4	Apple MacBook Pro 16" Laptops @ Cost Plus % Markup**	\$2,228.30	\$2,244.89	-	\$2,082.97

*NR: Not responsive to this line item; did not meet City’s minimum requirements.

** MacBooks are an exception use in the City due to cost and interoperability issues.

RFB #3: Laptops and MacBooks

(Federally-funded, excluded LBE/SBE Preference)

A total of twenty-five (25) vendors viewed RFB #3. Two (2) vendors submitted bids prior to the submittal deadline, and the bid results are as follows:

#	Description	Saitech Inc.	SHI International Corp.
1	Standard Laptops @ Cost Plus % Markup	\$868.05	\$849.81
2	Large Screen Laptops @ Cost Plus % Markup	\$858.55	\$840.54
3	Apple MacBook Pro 13” Laptops @ Cost Plus % Markup*	-	\$1,330.12
4	Apple MacBook Pro 16” Laptops @ Cost Plus % Markup*	-	\$2,082.97

* MacBooks are an exception use in the City due to cost and interoperability issues.

RFB #4: Monitors

(City-funded, included LBE/SBE Preference)

In September 2020, Finance released RFB #4 for Monitors. A total of twenty-six (26) vendors viewed the RFB. Six (6) vendors submitted bids prior to the submittal deadline, and the bid results were as follows:

	AKA Comp Solutions Inc.	ComputerLand of Silicon Valley <i>Adjusted for LBE/SBE Preference</i>	Granite Data Solutions	Hypertec USA Inc.	Planet Cellular Inc.	SHI International Corp.
Total Base Bid for Monitors	\$93,562.40	*NR	\$74,519.03	\$107,255.00	\$79,264.00	\$75,937.68

*NR: Not responsive; does not meet City’s minimum requirements.

Local and Small Business Enterprise Preference: In accordance with San José Municipal Code Section 4.12.320.B, vendors who requested and received the local business preference were given a two and one-half (2.5) percent credit and, of those, a two and one-half (2.5) percent credit if also a small business. All RFBs except RFB #3 included the City’s Local and Small Business Preference (LBE/SBE) and are to be used for purchases funded with City funds.

RFB #3 excluded the LBE/SBE preference since purchases are to be funded with federal funds, e.g., FEMA (Federal Emergency Management Agency) and CRF (Coronavirus Relief Fund). Those require additional solicitation and contracting provisions and prohibit the use of geographic preferences. For RFB #s 1, 2, and 4, one (1) bidder, ComputerLand of Silicon Valley, requested and received the local and small business preferences for their local office located within Santa Clara County. The local and small business preference was a factor in the final award for Mid Tower Workstation Desktops, Small Form Factor Workstation Desktops, and Chromebook Laptops in RFB #1.

Review Process: For each solicitation, the lowest-priced product for each category was reviewed by the Information Technology Department to verify that it met or exceeded the City's published specifications. If it did, the vendor was awarded the bid for that category. If it did not, the bid was identified as non-responsive, and staff went to the next lowest priced vendor in that category. This process was repeated until staff identified the lowest-priced product in each category that met or exceeded the City's requirements.

Protest: The City's RFB process included a ten-day protest period that began when the City issued the Notice of Intended Award for each solicitation. No protests were received.

Cost Plus Markup: All RFBs allowed for the purchase of upgrades, accessories, or next generation equivalent models based on a specified percent markup over the vendor's cost. The City may, at its sole discretion, request documentation from an awarded vendor that demonstrates their actual cost at any time during the contract term to verify that the City's pricing is in accordance with the solicitation. This allows the City to benefit from industry improvements to technology hardware.

Award Recommendation: Staff recommends awards to the vendors identified below as the lowest-priced responsive and responsible bidders per the minimum requirements set forth in the RFB and pursuant to the formal bidding process of the San José Municipal Code, Section 4.12.310B:

Summary of Purchase Orders

Vendor	Product Type	Model	Unit Price	Current PO Amount	Requested Increase	Total Not to Exceed
SHI International Corp.	Small Form Factor Standard Desktop	Lenovo ThinkCentre M70s 11DB - SFF	\$640.91	N/A	N/A	\$218,000
ComputerLand of Silicon Valley	Mid Tower Workstation Desktop Small form Factor Workstation Desktop	HP Z2 Tower G4 HP Z2 SFF G4	\$1,025.92 \$991.80	N/A	N/A	423,000
ComputerLand of Silicon Valley	Chromebook Laptops	HP Pro c640	\$692.70	N/A	N/A	63,000
SHI International Corp.	Apple MacBook Pro 13" Laptops Apple MacBook Pro 16" Laptops	Apple Part #Z0Z100020 Apple Part #MVVJ2LL/A	\$1,330.12 \$2,082.97	N/A	N/A	101,000
SHI International Corp.	Apple iOS Tablets	Apple Part #MXEW2LL/A & MXNK2LL/A	\$1,190.54	N/A	N/A	82,000
Saitech Inc.	Android Tablets	Samsung Part #SM-T860NZBAXAR	\$562.40	N/A	N/A	41,000
Granite Data Solutions	22" Monitors 24" Monitors 24" Monitors with Camera 27" Monitors 32" Monitors	Dell Part #P2219H Dell Part #P2419HC Dell Part #P2418HZm Dell Part #P2719HC Dell Part #U3219Q	\$115.49 \$159.49 \$181.49 \$197.99 \$577.49	N/A	N/A	417,000
Subtotal Related to Recommendation A				-	-	\$1,345,000
SHI International Corp. OP 59581	Standard Laptops Large Screen Laptops	Dell Latitude 5410 XCTO Dell Latitude 5510 XCTO	\$849.81 \$840.54	\$750,000	\$685,000	\$1,435,000
SHI International Corp. OP 59605 (federal funding)	Standard Laptops Large Screen Laptops	Dell Latitude 5410 XCTO Dell Latitude 5510 XCTO	\$849.81 \$840.54	752,000	0.00	752,000
Saitech Inc. OP 59554	2-in-1 Laptops	Dell Latitude 7210 2-in-1 XCTO with Intel Core i5	\$1,301.25	130,000	217,000	347,000
SHI International Corp. OP 59551	Ruggedized Laptops	LG Gram 14Z90N-N.APS7U1	\$1,200.94	100,000	65,000	165,000
Subtotal Related to Recommendation B				\$1,732,000	\$967,000	\$2,699,000
TOTAL INITIAL TERM						\$4,044,000

Note: Purchase Orders also allow for the purchase of accessories, accidental protection plans, asset tagging, and CA recycling fees as required.

CONCLUSION

Approval of this recommendation will allow City employees access to a wide variety of modern and pre-approved computing form factors and monitors, benefitting from volume pricing, which can be ordered quickly and easily. This ensures City staffs have reliable and interoperable computing equipment required to perform their jobs and meet the City's operational needs.

EVALUATION AND FOLLOW-UP

This memorandum will not require any follow-up from staff.

CLIMATE SMART SAN JOSE

The recommendation in this memo has no effect on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the December 1, 2020 Council Meeting.

COORDINATION

This memorandum has been coordinated with the Department of Information Technology, the City Manager's Budget Office, and the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

COST SUMMARY/IMPLICATIONS

The following outlines the cost elements for the initial one-year term.

1. AMOUNT OF RECOMMENDATION: **Annual Cost**
\$4,844,000

2. COST ELEMENTS

	Annual Not to Exceed
<u>Desktops</u>	
SHI International Corp. - Small Form Factor Standard Desktops	\$218,000
ComputerLand of Silicon Valley - Mid Tower and Small Form Factor Workstations	423,000
Desktops Subtotal	\$641,000
<u>Laptops</u>	
SHI International Corp. - Standard and Large Screen Laptops	\$1,435,000 *
SHI International Corp. (Federal Funding) - Standard and Large Screen Laptops	752,000 *
Saitech Inc. - 2-in-1 Laptops	347,000 *
SHI International Corp. - Ruggedized Laptops	165,000 *
SHI International Corp. - Chromebook Laptops	63,000
SHI International Corp. - MacBook Pro Laptops	101,000
Laptops Subtotal	\$2,863,000
<u>Tablets</u>	
SHI International Corp. - Apple iOS Tablets	\$82,000
Saitech Inc. - Android Tablets	41,000
Tablets Subtotal	\$123,000
<u>Monitors</u>	
Granite Data Solutions	
Monitors Subtotal	\$417,000
INITIAL ONE-YEAR TERM NOT TO EXCEED (ALL PURCHASE ORDERS)	\$4,044,000
Contingency	800,000
TOTAL NOT TO EXCEED THIS RECOMMENDATION	\$4,844,000

* Existing purchase order to be increased to this new Annual Not to Exceed amount upon approval of this Recommendation.

3. SOURCE OF FUNDING: Various Departments, as appropriated.

4. FISCAL IMPACT: Subject to availability and approval of funding through the annual budget process.

BUDGET REFERENCE

Funding for the contracts recommended as part of this memorandum will be from various City departments.

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CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

/s/

JULIA H. COOPER

Director of Finance

For questions, please contact Jennifer Cheng, Deputy Director of Finance, at jennifer.cheng@sanjoseca.gov.