



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Rick Bruneau

SUBJECT: SEE BELOW

DATE: September 11, 2023

Approved

Date

9/18/23

**SUBJECT: REPORT ON REQUEST FOR BID FOR CITYWIDE DESKTOPS,
LAPTOPS, TABLETS AND SERVERS**

RECOMMENDATION

Adopt a resolution authorizing the City Manager or designee to:

- a) Execute Citywide purchase orders with CCT Technologies, Inc. dba ComputerLand of Silicon Valley (San José, CA) for desktops, laptops, Chromebook laptops, Apple MacBook Pro laptops, Apple iOS tablets, and servers and Bluum of Minnesota, LLC (St. Paul, MN) for rugged laptops for a combined maximum compensation of \$8,250,000 for the initial term beginning on or about October 10, 2023 and ending September 30, 2024, subject to the appropriation of funds;
- b) Amend the Citywide purchase orders with CCT Technologies, Inc. dba ComputerLand of Silicon Valley and Bluum of Minnesota, LLC, as required, including moving funds between them, to meet unanticipated changes in demand for desktops, laptops, tablets, and servers for a total combined contingency of \$850,000 during the initial term, subject to the appropriation of funds;
- c) Exercise up to six one-year options to extend the terms of each of the purchase orders through September 30, 2030, subject to the appropriation of funds; and
- d) Amend purchase order OP 62602 with Saitech, Inc. (Fremont, CA) for Android tablets to add four additional one-year options terms to extend the purchase order through September 30, 2030 after the remaining two original options are exhausted, subject to the appropriation of funds.

SUMMARY AND OUTCOME

Citywide purchase orders are issued to provide City staff with a quick and efficient process to purchase preapproved vendor products that reflect pricing established for the City through a

competitive bidding process. Executing open purchase orders in advance for a variety of desktops, laptops, tablets, and servers allows staff to order computing devices as required to meet their operational needs, subject to their department’s budgetary constraints.

BACKGROUND

City staff periodically need to purchase desktops, laptops, tablets, and servers to replace devices or add new devices. Purchases are made by departments on an as-needed basis throughout the year. All devices must meet standards set by the City’s Information Technology Department to maximize cybersecurity protection and interoperability with the City’s existing systems. Additionally, the City periodically updates its requirements to address advances in technology, such as standardizing on the Windows 11 operating system. Many of these advances require more modern endpoint technology to implement.

To facilitate, the Finance and Information Technology Departments periodically collaborate to competitively bid these items to optimize cost savings through volume pricing discounts and provide staff access to newer technologies.

ANALYSIS

In May 2023, the Finance Department released a Request for Bid for Citywide desktops, laptops, tablets, and servers through the City's e-procurement system, Biddingo. Over 5,700 vendors were notified of the bid opportunity and 41 vendors viewed the Request for Bid. Four vendors submitted responses prior to the submittal deadline, and one vendor was found non-responsive and disqualified from further consideration.

Based on the spend estimates, included in the bid solicitation, the results for the remaining three respondents are shown in the below table. The highlighted cells indicate the awarded vendor with the lowest cost for each line item.

#	Item Description	ComputerLand of Silicon Valley *	Bluum of Minnesota, LLC	Granite Data Solutions
1	Small Form Factor Standard Desktops	\$1,066,850	\$1,122,000	\$1,129,000
2	Micro/Mini Desktop	\$213,370	\$224,400	\$231,400
3	Chrome OS All-in-one	-	-	-
4	Performance Workstations	\$533,425	\$561,000	-
5	Standard Laptops	\$1,066,850	\$1,122,000	-
6	360 Convertible 2 in 1 Standard Laptop	\$213,370	-	\$231,400
7	Detachable 2 in 1 Standard Laptop	-	-	-
8	Light Weight Laptop	\$533,425	\$561,000	-
9	360 Convertible 2 in 1 Light	\$106,685	-	\$119,200
10	Detachable 2 in 1 Light Weight	-	-	\$119,200
11	Performance Laptop	\$533,425	\$561,000	-
12	Rugged Laptop	\$338,675	\$336,600	\$343,600
13	Chromebook	\$213,370	\$224,400	-

#	Item Description	ComputerLand of Silicon Valley *	Bluum of Minnesota, LLC	Granite Data Solutions
14	Mac Book Air M2 13"	\$218,025	\$224,400	-
15	Mac Book Pro M2 14"	\$218,025	\$224,400	-
16	Mac Book Pro M2 16"	\$218,025	\$224,400	-
17	iPad Pro 11-inch 3 rd Generation	\$538,080	\$561,000	-
18	iPad Pro 12.9-inch 3 rd	\$538,080	\$561,000	-
19	iPad 9 th Generation	\$538,080	\$561,000	-
20	Android 10" Tablet	-	-	-
21	Android 12" Tablet	-	-	-
22	2CPU Physical Server	\$213,370	-	-
23	4CPU Physical Server	\$213,370	-	-
24	NAS Type Storage	\$426,740	-	-
25	Workload SCSI Type Storage	\$960,165	-	-

* Adjusted for Local and Small Business Enterprise Preferences

Local and Small Business Enterprise Preferences: In accordance with San José Municipal Code [Section 4.12.320](#), vendors who requested and received the local business preference were given a 2.5 percent credit and, of those, a 2.5 percent credit if also a small business. One bidder, ComputerLand of Silicon Valley, requested and received the local and small business¹ references for its office located in Santa Clara County. The local and small business preferences credit was a factor in the final award for this solicitation.

Review Process: 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.

Protest: The City's Request for Bid process included a 10-day protest period that began July 21, 2023 when the City issued the Notice of Intended Award for this solicitation. No protests were received.

Cost-Plus Markup: This Request for Bid allows for the purchase of products, upgrades, accessories, or next generation equivalent models based on a specified percent markup over a vendor's cost. The City may, at its sole discretion, request documentation from an awarded vendor at any time to verify that the City's pricing is in accordance with the requirements set forth in the solicitation.

Award Recommendation: Staff recommends awards to the lowest-priced responsive and responsible vendors identified above for each line item pursuant to the formal bidding process of the [San José Municipal Code, Section 4.12.310B](#). Since no bids were received for Android tablets, staff recommends adding four one-year options to the current purchase order with Saitech, Inc. that was awarded through a previous competitive process and approved by City Council in December 2020.² While there are two options remaining on the current purchase

¹ Small business preference vendors must first qualify as a local business enterprise and have a total number of employees of 35 or less.

² December 2020 City Council Memorandum: <http://sanjose.legistar.com/gateway.aspx?M=F&ID=b5b24b11-9bd3-4e94-b77c-babf1838cfa7.pdf>

order to extend through September 30, 2026, it is more resource-efficient to keep renewal of these Citywide products aligned to facilitate bidding at the end of the option terms. Adding four additional options to the agreement with Saitech, Inc. will allow staff to extend this purchase order for Android tablets through September 30, 2030 to co-term with the renewal period of the other products.

EVALUATION AND FOLLOW-UP

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

COST SUMMARY/IMPLICATIONS

Purchases made through these Citywide purchase orders will be funded by each individual department as required and based on their appropriations that are subject to the City’s annual budgeting process. Pricing is set based upon a cost-plus percent markup. The percent markup will be the same for the initial term as well as the six option terms.

1. AMOUNT OF RECOMMENDATION (One-Year Term) \$9,100,000

2. COST ELEMENTS

	Annual Estimated Not to Exceed*
<u>Desktops</u>	
<i>ComputerLand of Silicon Valley</i> - Small Form Factor and Micro/Mini Desktops	\$2,700,000
<i>ComputerLand of Silicon Valley</i> - Performance Workstations	1,050,000
Desktops Subtotal	\$3,750,000
<u>Laptops</u>	
<i>ComputerLand of Silicon Valley</i> - Standard, Performance and Light Weight Laptops	\$2,400,000
<i>ComputerLand of Silicon Valley</i> - 2-in-1 Laptops	350,000
<i>Bluum Technologies</i> - Ruggedized Laptops	550,000
<i>ComputerLand of Silicon Valley</i> - Chromebook Laptops	100,000
<i>ComputerLand of Silicon Valley</i> - MacBook Pro Laptops	200,000
Laptops Subtotal	\$3,600,000
<u>Tablets</u>	
<i>ComputerLand of Silicon Valley</i> - Apple iOS Tablets	\$250,000
Tablets Subtotal	\$250,000

Servers

<i>ComputerLand of Silicon Valley - 2CPU, 4CPU, NAS, and SCSI Storage</i>	\$650,000
Servers Subtotal	\$650,000
ONE-YEAR TERM NOT TO EXCEED (recommendation a)	\$8,250,000
Contingency (recommendation b)	850,000
TOTAL NOT TO EXCEED THIS RECOMMENDATION	\$9,100,000

* This not-to-exceed amount also includes an allowance for the purchase of accessories, accidental protection plans, asset tagging, and California recycling fees as required.\

BUDGET REFERENCE

Funding for the purchase orders recommended as part of this memorandum will be from various City departments, subject to the appropriation of funds.

COORDINATION

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

PUBLIC OUTREACH

This memorandum will be posted on the City’s Council Agenda website for the October 3, 2023 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

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

HONORABLE MAYOR AND CITY COUNCIL

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PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

RICK BRUNEAU

Director of Finance

For procurement- and contract-related questions, please contact Albie Udom, Deputy Director of Finance – Purchasing and Risk Management, at albie.udom@sanjoseca.gov. For program-related questions, please contact Ed Kim, Deputy Director of Information Technology, at ed.kim@sanjoseca.gov.