



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Julia H. Cooper

SUBJECT: SEE BELOW

DATE: August 5, 2019

Approved

Date

8-15-19

**SUBJECT: REPORT ON REQUEST FOR BIDS FOR CITYWIDE PURCHASE
ORDERS FOR COMPUTER PARTS, PERIPHERALS, AUDIO VISUAL
EQUIPMENT, AND PC SOFTWARE**

RECOMMENDATION

Adopt a resolution authorizing the City Manager to:

- a. Execute Citywide purchase orders with ComputerLand of Silicon Valley (San José, CA), Oready, LLC (Campbell, CA), and SHI International Corp (Somerset, NJ) for the purchase of computer parts, peripherals, audio visual equipment, and PC software for an initial one-year term beginning September 1, 2019 and ending August 31, 2020 for a combined amount not-to-exceed \$1,200,000, subject to the appropriation of funds; and
- b. Approve a contingency of \$300,000 to amend the purchase order(s) as may be required to meet unanticipated increases in City demand during the initial term, subject to the appropriation of funds; and
- c. Execute purchase orders for up to four additional one-year options to extend the term through August 31, 2024, subject to the appropriation of funds.

OUTCOME

Provide City departments with a quick and efficient process to purchase pre-approved hardware and software.

BACKGROUND

City staff require a procurement channel readily available for the purchase of computer parts, peripherals, audio visual equipment, and PC software (such as Adobe and Faronics) on an as needed basis. By issuing Citywide purchase orders, City staff will have access to vendor product

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offerings through vendors' websites that reflect the City's discount. Executing purchase orders with multiple vendors allows staff to obtain multiple quotes prior to ordering to ensure the City receives the best price for the required item.

ANALYSIS

In June 2019, the Finance Department released a Request for Bid (RFB) for computer parts, peripherals, audio visual equipment, and PC software. Three responsive and responsible responses were received by the bid deadline as follows:

Bidder	Bid Total*	Adjusted Bid Total after LBE/SBE** Preference
Oready, LLC (Campbell, CA)	\$1,524,798	\$1,448,558
ComputerLand of Silicon Valley (San José, CA)	\$1,555,300	\$1,477,535
SHI International Corp. (Somerset, NJ)	\$1,525,100	\$1,525,100

*Bid amounts based on estimated City annual spend of \$1,500,000 (inclusive of \$300,000 contingency) plus vendor markups.

**LBE/SBE: Local Business Enterprise (LBE) and Small Business Enterprise (SBE)

ComputerLand of Silicon Valley operates an office in San José, California, and Oready operates an office in Campbell, California; each reported having fewer than 35 employees. Both bidders requested and received the City's local and small business enterprise preference which, in accordance with San José Municipal Code Section 4.12.320.B, provided them a five (5) percent credit adjustment to their total bids as shown above.

Pursuant to San José Municipal Code Section 4.1.310, recommendation of award is made to all three bidders. The City's RFB process includes a ten-day protest period that began when the City issued the Notice of Intended Award on July 15, 2019. No protests were received.

Purchase orders resulting from this Council action will be monitored by the Information Technology and Finance Departments to ensure that spending stays within Council-approved authorization. Adjustments may periodically be made to add funds to or move funds between purchase orders as required to meet staff demand.

EVALUATION AND FOLLOW-UP

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

PUBLIC OUTREACH

This memorandum will be posted on the City's website for the August 27, 2019 Council Agenda.

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

This item does not require any input from a board or commission.

COST SUMMARY/IMPLICATIONS

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

1. **AMOUNT OF RECOMMENDATION:** **Annual Cost**
\$1,200,000
2. **COST ELEMENTS**

<u>Description</u>	<u>Estimated Annual Spend</u>
Audio Visual Equipment	\$240,000
Internal Computer Components	120,000
External Computer Peripherals	234,000
Network Equipment	120,000
Print Equipment	42,000
Adobe Software	216,000
Symantec Software	48,000
Miscellaneous Software	180,000
NOT-TO-EXCEED TOTAL (Annual Cost)	\$1,200,000
Contingency	\$300,000
GRAND TOTAL	\$1,500,000

3. **SOURCE OF FUNDING:** Various Departments
4. **FISCAL IMPACT:** Subject to availability and approval of funding through the annual budget process.

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BUDGET REFERENCE

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

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 (408) 535-7059.