



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Julia H. Cooper

SUBJECT: SEE BELOW

DATE: November 18, 2019

Approved

Date

11/26/19

**SUBJECT: AMENDMENT OF PURCHASE ORDER FOR THE CITYWIDE
WINDOWS 10 UPGRADE PROJECT**

RECOMMENDATION

(a) Adopt a resolution authorizing the City Manager to:

- (1) Amend Open Purchase Order 58216 with Granite Data Solutions (Sacramento, CA) to increase compensation by \$400,000 for the purchase of additional desktop computers and workstations capable of running Windows 10 for a total maximum compensation of \$1,700,000 for a term executed on October 29, 2019 and ending October 28, 2020;
- (2) Approve a contingency of \$255,000 for unanticipated increases in desktop computers and workstations, subject to the appropriation of funds; and
- (3) Amend Open Purchase Order 58216 to extend the term to April 30, 2021, if necessary to complete the Windows 10 upgrade project.

OUTCOME

To increase staff efficiency, secure City systems from cybersecurity threats, and ensure ongoing support and maintenance by purchasing new or upgrading existing desktop computers and workstations to run Windows 10.

BACKGROUND

As of January 2020, Microsoft will no longer support and maintain Windows 7. Approximately one-third of the City's current desktop computers and workstations still run Windows 7, but the systems are too dated or under resourced to support Windows 10. Therefore, the City needs to

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upgrade or replace existing systems to complete migration to Windows 10 prior to the January 2020 deadline.

The City currently purchases desktop computers and workstations as needed from Granite Data Solutions, who was selected through a competitive Request for Bid process conducted in 2017. Staff is leveraging this solicitation to purchase replacement desktop computers and workstations for this Windows 10 upgrade project. The Windows 10 upgrade project also includes the purchase of laptops, system upgrades, and Windows 10 operation systems under separate competitive solicitations previously approved by City Council, or is within the City Manager's contract authority.

ANALYSIS

The project to migrate to Windows 10 was included in the 2019-2020 Adopted Operating Budget with a total estimated cost of \$2.0 million as one of the Strategic Support Key Budget Actions for the Information Technology Department. This upgrade will position the City for upcoming information systems security assessments and audits, improve productivity for employees contending with poor performing computers, and enhance cybersecurity. There are approximately 1,900 computers that need to be replaced and another 800 that need to be upgraded to complete this migration.

Given the urgency to upgrade or replace old hardware to complete Windows 10 migration based on the January 2020 end-of-support deadline, staff issued a purchase order to Granite Data Solutions on October 20, 2019 in the amount of \$1.3 million – the City Manager's authority limit to procure supplies and materials – to start the purchase of required hardware with the anticipation of coming to the City Council once more information was known regarding the total cost of the project. Based on information to date, the total estimated project cost is \$1.7 million, requiring an increase of \$400,000 to the existing purchase order with Granite Data Solutions. In addition, staff is requesting a 15% contingency in the amount of \$255,000 to address any exceptional circumstances and computing system needs that may be encountered over the course of the project.

CONCLUSION

Approval of this recommendation will provide enough funds to purchase all required systems necessary to migrate from Windows 7 to Windows 10 by January 2020.

EVALUATION AND FOLLOW-UP

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

CLIMATE SMART SAN JOSE

The recommendation in this memo aligns with one or more Climate Smart San José energy, water, or mobility goals. Specifically, the use of more efficient power and EnergyStar settings on the new computers will improve power consumption and reduce climate impacts from power generation.

PUBLIC OUTREACH

This memorandum will be posted on the City's website for the December 10, 2019 City 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.

FISCAL/POLICY ALIGNMENT

This action is consistent with the City's Strategic Support Mission: *To effectively develop, manage, and safeguard the City's fiscal, physical, technology, and human resources to enable and enhance the delivery of City services and projects.*

COST SUMMARY/IMPLICATIONS

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

1. AMOUNT OF RECOMMENDATION:	\$400,000
2. COST ELEMENTS:	
Purchase Order Adjustment (this action)	\$400,000
Current Purchase Order Amount	1,300,000
NEW PURCHASE ORDER NOT-TO-EXCEED TOTAL	\$1,700,000
Contingency Increase	255,000
TOTAL	\$1,955,000

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3. **SOURCE OF FUNDING:** As included in the 2019-2020 Adopted Budget within the Information Technology Department, the total project cost to upgrade or replace existing systems, excluding staffing support for installation, is \$2.0 million. This amount is split approximately \$1.7 million in the General Fund and \$300,000 among various Special Funds
4. **FISCAL IMPACT:** Ongoing support costs for the hardware and Windows 10 licenses have been budgeted and are estimated at \$133,000, of which \$107,000 is attributed to the General Fund and \$26,000 is attributed to Special Funds.

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.