



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Anna Jatzak

SUBJECT: SEE BELOW

DATE: September 7, 2004

Approved

Kay Wines

Date

9/9/04

SUBJECT: AMENDMENT TO THE AGREEMENT WITH COMPUTERLAND OF SILICON VALLEY

REASON FOR ADDENDUM

To provide timely procurement of critical technology items.

RECOMMENDATION

Adoption of a resolution authorizing the Director of General Services to execute an extension of the agreement with ComputerLand of Silicon Valley ("ComputerLand") located in San Jose, CA through June 30, 2005 for citywide purchases of personal computers, peripherals and software in an amount not to exceed \$3,000,000 for FY 2004/2005.

BACKGROUND

On March 27, 2001, City Council adopted Resolution 70230 that authorized the Director of General Services to exercise three additional one-year extensions to the citywide agreement for computers, computer peripherals and software contract for a total of not to exceed \$8 million per year. All of the options were exercised.

In FY 03-04, the City spent approximately \$2.5 million of the approved \$8 million for these technology procurements. This drop in citywide technology expenditures was primarily due to citywide budget control measures.

The process simplification of establishing an "unencumbered" citywide open purchase order to enable City departments to place "as needed", low dollar orders directly with the awarded vendor continues to work very well. Large individual technology requirements are managed through separate competitive purchasing processes and are not obtained through open purchase orders.

Pursuant to Mayor's budget actions, controls remain in place to ensure the required exception approvals have first been obtained from both Budget Office and Information Technology Department.

ANALYSIS

The department recommends a contract extension, through June 30, 2005, with the same pricing schedule, terms and conditions. The proven performance of ComputerLand in terms of customer service, cycle time, quality and cost, which has been exemplary, is expected to continue. The benefit for continuing the open purchase order is to expedite low dollar purchases that have already been approved by the Information Technology Department and the Budget Office.

During the remainder of this fiscal year, staff will have adequate time to conduct a comprehensive and competitive Request for Proposal (RFP) for a technology hardware, software and peripherals supplier. Staff was unable to undertake the procurement process previously due to heavy workload on time sensitive, major projects such as the airport expansion, animal care center, and the new City Hall.

PUBLIC OUTREACH

Not applicable.

COORDINATION

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

COST IMPLICATIONS

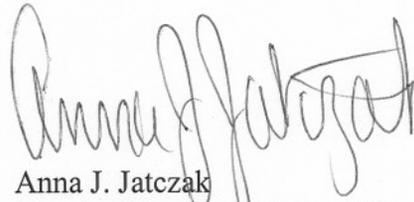
This Council item is consistent with General Principle #2, "We must focus on protecting our vital core city services", and Item #7 "We must continue to streamline, innovate, and simplify our operations...so that we can deliver services at a higher quality level, with better flexibility, at a lower cost."

BUDGET REFERENCE

Citywide Contract linked to unencumbered open purchase order – actual funding comes from respective department funds and budgets.

CEQA

Not a project



Anna J. Jatzak
Deputy Director of General Services

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Citywide Contract linked to unnumbered open purchase order - actual funding comes from respective department funds and budgets.

CEO

Not a project



Anna J. Iatsofi
Deputy Director of General Services

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San Jose City Clerk