

COUNCIL MEETING
September 12, 2006

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the City Council:

SUBJECT: Communications and Information Technology - Authorize annual purchase order for computer hardware and software with Dell Computers, Inc.
Expenditure: Not-to-exceed \$780,000

RECOMMENDATION

The Information Technology Director recommends that City Council authorize an annual purchase order with Dell Computers, Inc. for personal computers, servers, laptops, and other miscellaneous related hardware and software for an amount not-to-exceed \$780,000.

Funding

Funding is available in the Computer Replacement Fund.

BACKGROUND

In July 1997 the City Council adopted an ordinance (Section 22.3.19 of the Torrance Municipal Code) that created an exemption from formal bidding for the purchase of computing and networking hardware and software. The exemption was meant to allow the City to develop a relationship with a single vendor with the intent of motivating that vendor to provide better equipment, lower prices, and a higher level of customer service. Purchasing computers based solely on price reduces service levels in subsequent years when vendors are not retained. The City performs a full evaluation of vendors every four to five years and evaluates the vendor quarterly after a selection is made.

ANALYSIS

Last year, the Communications and Information Technology (CIT) Department, in conjunction with the Purchasing Division, sent Request for Quotes (RFQ) for a personal computer (PC) to the four major PC manufacturers (Dell, IBM, HP/Compaq, and Gateway). Dell was selected on the basis of hardware performance test results, industry service and support ratings, and price. Dell has performed well during the last year, and based on current pricing, continues to be competitive. The current cost of a standard Dell PC is \$1,061.82 which includes a flat panel liquid crystal display (LCD)

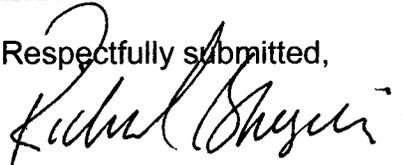
monitor, environmental fees, five year warranty, delivery, and sales tax.

Staying with Dell leverages the technical support knowledge obtained by information technology staff during the past year. And, with the increases in hardware performance and the projected longer service life of Dell equipment, the City is extending the replacement cycle of new computers and servers from 4 to 5 years, with laptops and specialty computers from 3 to 4 years. Also, beginning this fiscal year, we are buying the newer, smaller "pico" computers because they are designed for better performance and use less energy.

Anticipated purchases include:

Personal Computers (Replacements)	195
Personal Computers (New)	15
Laptops (Replacements)	6
Laptops (New)	5
Servers (Replacements)	26
Servers (New)	5

Respectfully submitted,



RICHARD SHIGAKI
Information Technology Director

CONCUR:



LeRoy J. Jackson
City Manager