

COUNCIL MEETING
November 6, 2007

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

Members of the City Council:

**SUBJECT: Communications and Information Technology - Authorize
an annual purchase order for computer hardware and
software with Dell Computers, Inc.**

Expenditure: Not-to-exceed \$520,000

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 \$520,000.

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 the amount and level of vendor-provided services subsequent to the first year when vendors are not retained. The City performs a full re-evaluation of vendors every four to five years, then evaluates the selected vendor on a quarterly basis after selection.

ANALYSIS

The Communications and Information Technology (CIT) Department, in conjunction with the Purchasing Division, sent Request for Quotes (RFQs) for a personal computer (PC) to the four major PC manufacturers (Dell, IBM, HP/Compaq, and Gateway). Gateway is in the process of being acquired by two different companies dividing the business into consumer (Acer) and business (MPC) services. With the

uncertainty of Gateway's future direction of its products and services, Gateway was eliminated from consideration. Dell was selected on the basis of hardware performance test results, industry standards and services provided, and overall support ratings and experiences during the past year. Dell has performed well during the last year and continues to be the most competitive. The current price of a standard Dell PC is \$1,157.64, which includes a 17" flat panel liquid-crystal display (LCD) monitor, all environmental disposal fees, a five-year warranty, delivery to Torrance, and sales tax.

Staying with Dell positively leverages the technical support knowledge and experience our staff has obtained in working with Dell during the past year. With the increases in hardware performance and the projected longer service life of Dell equipment, the City has extended the replacement cycle of new computers and servers to five years, with laptops and specialty computers at four years. Due to the extended useful life of Dell PCs, we should soon see a reduction in the annual number of PCs needing to be replaced each year. We continue to buy the newer, smaller "pico" computers because they are designed for better performance and use less energy.

Pricing:

Dell Inc.	\$1157.64
Lenovo/IBM	\$1227.00
HP/Compaq	\$1256.78
Gateway (MPC is new owner)	\$1076.67

Anticipated purchases include:

Personal Computers (Replacements)	151
Personal Computers (New)	15
Laptops (Replacements)	10
Laptops (New)	5
Servers (Replacements)	22
Servers (New)	5

Respectfully submitted,



RICHARD SHIGAKI
Information Technology Director

CONCUR:



LeRoy J. Jackson
City Manager