

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

Members of the City Council:

SUBJECT: Communications and Information Technology - Authorize an increase in the annual purchase order for computer hardware and software from \$400,000.00 to \$445,000.00.

Expenditure: \$45,000.00

RECOMMENDATION

Recommendation of the Information Technology Director that City Council authorize an increase of \$45,000 in the annual purchase order with Dell Computers, Inc., for personal computers, servers, laptops, and other miscellaneous related hardware, software, and disposal services for a new not to exceed total of \$445,000.00.

Funding

Funding is available in the Computer Replacement Fund, Capital Project Funds, and department operating budgets.

BACKGROUND/ANALYSIS

On June 9, 2009, City Council authorized a \$400,000 annual purchase order with Dell Computers, Inc. to purchase 227 laptops and computers and 32 servers.

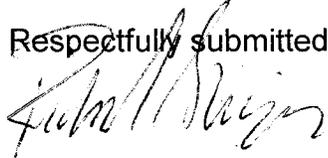
Subsequently, CIT decided to replace an additional 14 servers in order to accelerate and complete the City's server virtualization project this fiscal year. The \$80,000 additional cost of the servers meant that the \$400,000 approved for the annual purchase order wouldn't be enough to complete the purchase of all 227 laptops & computers as originally planned this fiscal year. The remaining 138 computer replacements will be postponed and useful life will be extended for an additional two years.

The following new projects were added for completion within the current fiscal year: 1) Community Services' request for a new Library printing system; 2) Community Development's request to increase the storage capacity and processing speed of the

Geographic Information System (GIS); 3) Fire Department's request to upgrade the Telestaff personnel system. These new projects will require an increase in the annual purchase order of \$40,000. Additionally, an increase of \$5,000 is needed to replace three failed computers.

With less than three months remaining in the fiscal year, the CIT Department finds the need to increase the annual Dell purchase order at this late date to complete requested projects. Therefore, it is recommended that City Council authorize an increase of \$45,000 in the annual purchase order with Dell Computers, Inc., for a new not to exceed total of \$445,000.

Respectfully submitted,



RICHARD SHIGAKI
Information Technology Director

CONCUR:



LeRoy J. Jackson
City Manager

X:\AGENDA ITEMS\Dell 2010 PO Increase 4-27-10

Attachments: Council Item 12A dated 6/9/09

COUNCIL MEETING
June 9, 2009

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.

Expenditure: Not-to-exceed \$400,000.00

RECOMMENDATION

Recommendation of the Information Technology Director that City Council authorize an annual purchase order with Dell Computers, Inc., for personal computers, servers, laptops, and other miscellaneous related hardware, software, and disposal services for an amount not-to-exceed \$400,000.00.

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 reduced service levels in subsequent years when vendors were 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. Dell was the company we selected for PC, server, laptop, and monitor purchases.

In 2007 the Communications and Information Technology Department, in conjunction with the Purchasing Division, sent a Request for Quote (RFQ) for a personal computer (PC) to the four major PC manufacturers (Dell, Lenovo/IBM, HP/Compaq, and MPC/Gateway). Dell was selected on the basis of hardware performance test results, industry standards and services provided, overall support ratings, and experiences during the past year.

ANALYSIS

In 2009, the Communications and Information Technology department evaluated pricing with Dell, Hewlett Packard, and Lenovo. Dell remained competitive in pricing and continues to meet our service standards. The current cost of a standard Dell PC is \$996.02 which includes a 19" flat panel liquid crystal display (LCD) monitor, all environmental

disposal fees, five-year warranty, delivery to Torrance, and sales tax. Beginning in July, 2009, we will use Dell's Asset Recovery Services, (ARS), to pick up and sell our used computer equipment. All of our used hard drives will be cleaned and a Certificate of Data Overwrite Process and Disposal per EPA Guidelines will be issued. Dell's ARS will cost an additional \$28.00 per PC, but this additional cost will be offset by savings in labor and increased resale value per Dell's resale price list.

Staying with Dell positively leverages the technical support knowledge and experience our staff has obtained in working with Dell during the past five years. With increased reliability in hardware performance and the projected longer service life of Dell equipment, the City has set a replacement cycle on computers, laptops, and servers at five years. Monitors will be replaced on an as-needed basis.

Anticipated purchases include:

Personal Computers (Replacements)	206
Personal Computers (New)	15
Laptops (Replacements)	1
Laptops (New)	5
Servers (Replacements)	27
Servers (New)	5

Dell has performed well during the last five years and, based on current pricing, continues to be competitive. The City-selected Dell products meet the EPEAT silver criteria level or better for "green" computers. It is recommended that City Council authorize a purchase order with Dell Computers, Inc., in an amount not-to-exceed \$400,000.00.

Respectfully submitted,



RICHARD SHIGAKI
Information Technology Director

CONCUR:



LeRoy J. Jackson
City Manager