

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 \$88,725.00

RECOMMENDATION

Recommendation of the Information Technology Director that City Council authorize an annual purchase order with Hewlett-Packard, Inc. of Palo Alto, California, for personal computers and monitors, and other miscellaneous related hardware and software for an amount not-to-exceed \$88,725.00.

Funding

Funding is available in the Fiscal Year 2011-2012 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 small number of vendors with the intent of motivating vendors to provide better equipment, lower prices, and a higher level of customer service. This ordinance has greatly improved the service provided by selected vendors to remain on the City's preferred listing. In the past, vendors would stop or reduce maintenance services for equipment once they were not selected for the current year purchases.

The Communications and Information Technology department performed a full evaluation of Hewlett-Packard, Inc. and Dell, Inc. equipment for the annual computer equipment purchase order and determined that only Hewlett-Packard met the City's equipment specifications.

ANALYSIS

Prior to each new fiscal year, Information Technology staff meets with departments to evaluate the required computer equipment replacements for the upcoming fiscal year. The City currently has 1,044 computers on a seven-year replacement cycle. Computers that break after the warranty period but before the seven-year funding cycle are evaluated and replaced early as it is more cost effective than repair. Job function requirements, ergonomics, or new projects may also trigger necessary upgrades or replacements. The City's total projected new or replacement personal computer equipment purchases for fiscal

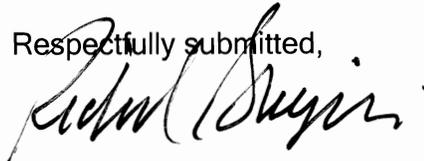
year 2011-2012 are 75 personal computers and 60 monitors excluding laptops and servers. The Communications and Information Technology Department, in conjunction with the Purchasing Division, sent a Request for Quote (RFQ) #2012-07 for seventy-five (75) small form factor personal computers and sixty (60) 20" LED monitors to the three major PC manufacturers (Dell, Hewlett-Packard, and Lenovo).

The RFQ results are as follows:

Vendor	RFQ Amount			Selection
	75 Personal Computers	60 Monitors	Total	
Hewlett-Packard, Inc. Palo Alto, California	\$ 77,077	\$ 11,648	\$ 88,725	Selected for Seventy Five (75) Personal Computers and Sixty (60) Monitors
Dell Inc. Round Rock, Texas	\$ 91,386	\$ 10,580	\$ 101,966	Did not meet specifications
Lenovo				Did not respond

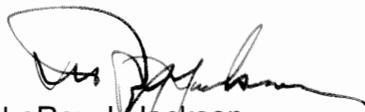
Feedback from Information Technology staff on delivery, customer service, and performance by Hewlett-Packard and Dell has been satisfactory for past equipment purchases. Hewlett-Packard was selected for both the personal computer and monitor purchases. The equipment meets the City specifications and provides the lowest total cost. Pricing includes five-year warranty, delivery to Torrance, and sales tax. It is recommended that City Council authorize a purchase order with Hewlett-Packard, Inc. in an amount not-to-exceed \$88,725.00.

Respectfully submitted,



RICHARD SHIGAKI
Information Technology Director

CONCUR:



LeRoy J. Jackson
City Manager