

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council

Item ID:

68011

Agenda Number

24.

Meeting Date:

March 2, 2017

Department:

Purchasing

## Subject

Authorize negotiation and execution of 60-month contract through the STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES cooperative purchasing program with DELL MARKETING, L.P., to provide Dell hardware and software products and related services including maintenance and support, in a total amount not to exceed \$29,250,000.

## Amount and Source of Funding

Funding in the amount of \$1,370,834 is available in the Fiscal Year 2016-2017 Operating Budget of Austin Energy. Funding in the amount of \$1,458,334 is available in the Fiscal Year 2016-2017 Operating Budget of the Communications and Technology Management Department. Funding for the remaining 53 months of the contract period is contingent upon available funding in future budgets.

## Fiscal Note

A fiscal note is not required.

**Purchasing Language:**

Multiple cooperative purchase programs were reviewed for these goods and services. The Purchasing Office has determined this Contractor best meets the needs of the departments to provide the services required at the best value for the City. The recommended Contractor is one of the current providers for these services.

**Prior Council Action:**



**For More Information:**

Brett Hardy, Buyer I, 512-322-6122

**Boards and Commission Action:**

February 27, 2017 – To be reviewed by the Electric Utility Commission.

**Related Items:**

**MBE / WBE:**

This contract will be awarded by a cooperative purchase agreement with the State of Texas Department of Information Resources (DIR) in accordance with Chapter 2054 of the Texas Government Code; therefore, goals were not established.

### Additional Backup Information

The contract is for the purchase of Dell hardware and software products and services including maintenance and support for Austin Energy (AE) and the Communications and Technology Management Department (CTM). This hardware is used to conduct daily operations throughout the City. The contract will facilitate the upgrade, renewal and consolidation of each department's Dell hardware portfolio including related maintenance and support services, and the purchase of new technology hardware and related maintenance and support services on an as-needed basis.

Dell hardware and associated software run and support key utility application management tools such as ADMS, PI Historian, EMO-Manage energy process web server, ERCOT real time web services, data analytics and settlement, GMS interface, and AE employee daily technology communications. This contract will provide AE and CTM with device-level support including access to specialized experts as well as self-help support through Dell Marketing L.P.'s online knowledge-base community, resources, and tools. Dell Marketing L.P. will also provide proactive diagnostics and immediate security alerts.

The Purchasing Office administered a process in which competitive prices in the form of discount percentages from manufacturer's suggested retail price were obtained from providers of Dell hardware products and services, including Dell itself as well as third-party resellers. The process resulted in even greater guaranteed discounts than those available per the State of Texas Department of Information Resources cooperative purchasing program. The recommended vendor, Dell Marketing, L.P., represents the best value to the City based on this competitive comparison.

The contract is new and represents a consolidation of purchases of these products and services into a single contract. The requested authorization amounts are based on forecasted needs for the 60-month term of the contract. AE's historical spend for these products and services has ranged from \$2,900,000 in Fiscal Year 2015 to \$1,400,000 in Fiscal Year 2016. Based on the scheduled replacement of servers and client based hardware refreshes for desktops, tablets, and monitors and maintenance and support services over the next three to five years, AE anticipated its average spend to be approximately \$2,350,000 per year. CTM's historical spend for these products and services, outside of its primary lease contract agreement for PC refreshes, has averaged approximately \$3,500,000 per year.