



# City of San Antonio

## Agenda Memorandum

**File Number:**16-3618

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**Agenda Item Number:** 36.

**Agenda Date:** 6/30/2016

**In Control:** City Council A Session

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**DEPARTMENT:** Information Technology Services

**DEPARTMENT HEAD:** Hugh Miller

**COUNCIL DISTRICTS IMPACTED:** City Wide

**SUBJECT:**

Authorization to Continue to Utilize State of Texas DIR Contracts in an Amount of up to \$46,606,637.

**SUMMARY:**

This action will authorize the City to continue to utilize the State of Texas Department of Information Resources (DIR) contracts, which was originally approved by Council under Ordinance 2009-11-19-0904 (and as amended by Ordinance 2011-10-20-0851, 2013-01-10-0014, and 2015-03-12-0179), to provide the City with information technology (IT) hardware, software, professional and technical services, telecommunication services, and maintenance and support services for an additional amount of up to \$46,606,637.

**BACKGROUND INFORMATION:**

On November 19, 2009, City Council passed Ordinance 2009-11-19-0904 which approved the use of the State of Texas Department of Information Resources (DIR) contracts for the purchase of IT equipment, software, and maintenance and support services for \$27 Million. City Council authorized Ordinance 2011-10-20-0851 on October 20, 2011 for an additional \$28.9 Million for computers, network equipment, professional and technical services, software, telecommunications services as well as maintenance and support services. On January 10, 2013, City Council authorized Ordinance 2013-01-10-0014 for an additional amount of up to \$35 million for these goods and/or services. City Council authorized Ordinance 2015-03-12-0179 on March 12, 2015 for an additional \$36 Million for hardware; software; professional and technical services; telecommunication services; and maintenance and support services.

Submitted for City Council consideration and action is the request to continue to utilize the State of Texas Department of Information Resources (DIR) contracts to provide the City with information technology (IT) hardware, software, professional and technical services, telecommunication services, as well as maintenance and support services for an additional amount of up to \$46,606,637.

These DIR contracts will be utilized in IT capital projects, public safety capital projects, various departmental

capital projects and telecommunication services. Additionally, the DIR contracts will be utilized for business systems and equipment and includes items such as software and equipment maintenance and support, business service transformation, business system enhancements (grow), as well as essential replacement and modernization (run). All expenditures under the DIR Contracts will be made in accordance with the City's adopted operating and capital budgets.

The State of Texas Department of Information Resources (DIR) provides a portfolio of contracts for information technology products and services with competitively bid pricing. The DIR contracts are awarded in accordance with all state procurement laws and rules applicable to Texas state agencies. By utilizing these DIR contracts, the City has been able to leverage the purchasing power of the State of Texas and has realized cost and resource savings, and other efficiencies, while procuring information technology products and services. These efficiencies include consistent contract terms and conditions, reduced solicitation and negotiating time, and consistency in the products and services available. This ordinance will also reduce the procurement lead times associated with technology purchases since these contracts have previously been awarded in accordance with State technology guidelines and each contract will not have to be individually scheduled for City Council consideration. As a result, the City will continue to be able to better take advantage of seasonal promotional offers and discounts that are frequently offered throughout the year for short periods of time.

The Information Technology Services Department (ITSD) currently leverages DIR contracts for a significant portion of the City's technology procurements on a per-project basis.

All technology procurements citywide are coordinated through ITSD and undergo a technology review to ensure compliance with adopted information technology standards, compatibility with existing systems and alignment with the City's information technology portfolio as established by the City's Chief Financial Officer, Chief Technology Officer, and Information Technology Governance Board.

#### **ISSUE:**

This action will provide ITSD with authorization to continue to utilize all State of Texas Department of Information Resources (DIR) contracts for the purchase of information technology (IT) hardware, software, professional and technical services, telecommunication services, as well as maintenance and support services

Pursuant to Texas Government Code § 2054.0565, the City is not required to conduct its own competitive bidding when utilizing contracts procured by Texas Department of Information Resources.

#### **ALTERNATIVES:**

Should this action not be approved, ITSD would return to the process of bidding individual contracts and presenting these contracts to City Council for the purchase of information technology equipment, software, and services on a single procurement basis. This will significantly lengthen the procurement processes and limit the City's ability to obtain the most favorable terms, conditions, and pricing during the fiscal year through consolidation of purchases, taking advantage of promotional offers, and negotiating the best value with vendors awarded contracts through DIR.

#### **FISCAL IMPACT:**

Funds are not encumbered by this ordinance. All expenditures will be in accordance with the City's adopted capital and operating budgets approved by City Council. The expenditures through DIR contracts approved by this ordinance are approximately \$46,606,637. Purchases made by departments are as needed and dependent upon available funds within their adopted budgets.

The \$46,606,637 will be spent in the following categories: IT hardware, software, professional and technical services, telecommunication services, as well as maintenance and support.

Operating and maintenance purchases are needed to update and maintain the City's IT hardware and software assets. Furthermore, this ordinance will provide authorization to utilize DIR contracts to replace desktop and notebook computers, computer accessories, and other operating and maintenance items planned for FY 2016 and FY 2017.

**RECOMMENDATION:**

Staff recommends approval of this action to allow ITSD to continue utilizing the supply and service contracts awarded by the State of Texas Department of Information Resources for the purchase of information technology (IT) hardware, software, professional and technical services, telecommunication services as well as maintenance and support in an amount not to exceed \$46,606,637.