



ADMINISTRATIVE REPORT

File #: 22-630

Meeting Date: 9/6/2022

Report Prepared by: J.R. Wright, Information Technology Manager

**SUBJECT:** Approval to Waive the Competitive Bid Process to Allow for the Cooperative Purchase Under State of California Cooperative Agreement 1-22-70-31C (PC Goods - Dell Laptops) and State of California Cooperative Agreement 1-19-70-19D-1 (Dell/EMC Products - Enterprise Technology) with PC Specialists Inc., dba Technology Integration Group (TIG) in a not to Exceed Amount of \$80,000 in Fiscal Year 2022/2023

**REPORT IN BRIEF**

Considers waiving the competitive bid process to allow for the cooperative purchase under State of California Cooperative Agreement 1-22-70-31C (PC Goods - Dell Laptops) and State of California Cooperative Agreement 1-19-70-19D-1 (Dell/EMC Products - Enterprise Technology) with PC Specialists Inc., dba Technology Integration Group (TIG).in a not to Exceed Amount of \$80,000 in Fiscal Year 2022/2023.

**RECOMMENDATION**

**City Council** - Adopt a motion:

- A. Approving to waive the competitive bidding requirements as permitted by Merced Municipal section 3.04.210 to utilize cooperative purchases with competitively bid contracts; and,
- B. Authorizing the use of State of California Cooperative Agreement 1-22-70-31C (PC Goods - Dell Laptops); and,
- C. Authorizing the use of State of California Cooperative Agreement 1-19-70-19D1-1 (Dell/EMC Products - Enterprise Technology); and,
- D. Authorizing the City Manager or Deputy City Manager to execute the necessary documents; and,
- E. Authorizing the purchase of up to \$80,000 of goods through PC Specialists Inc., dba Technology Integration Group (TIG).

**ALTERNATIVES**

- 1. Approve, as recommended by staff; or,
- 2. Approve, subject to conditions as specified by the City Council; or,
- 3. Deny the request; or,
- 4. Refer back to staff for reconsideration of specific items as requested by the Council.

## **AUTHORITY**

Charter of the City of Merced, Section 200.

## **CITY COUNCIL PRIORITIES**

As provided for in the FY 22/23 Adopted Budget.

## **DISCUSSION**

The City has primarily procured Dell laptops through PC Specialists Inc., dba Technology Integration Group (TIG) each fiscal year as they have consistently offered the lowest available price. In addition to Dell laptops, TIG offers state issued competitively bid pricing for Dell/EMC data center equipment, including servers. To ensure the City receives the best possible rate for these Dell technology goods the City can utilize the State's competitively bid contracts.

These contracts were publicly bid through the State of California. By utilizing these competitively bid contracts the City has no obligation to purchase goods through TIG. City staff will continue to obtain quotes for goods from several vendors, including direct purchasing through Dell Technologies. If TIG is the lowest priced vendor while utilizing this contract, we will procure through them. If another vendor provides a quote at a lower price point, we will procure with that vendor. These contracts only ensure we get the lowest possible rate when applicable through TIG.

## **IMPACT ON CITY RESOURCES**

In the last two fiscal years the City has an average annual spending of \$28,040 with TIG. The prior expenditures are exclusively for Dell laptop computers and the purchases account for spending across all City departments. The City anticipates the need to replace laptops this fiscal year. The currently used laptops are due for replacement as the aging or failing hardware will no longer meet the City's needs. In addition to replacing the Dell laptops, the City will need to procure servers to meet upcoming software application system requirements and to ensure the latest operating system compatibility. In addition to the annual average spending of \$28,040 for laptop purchases, the City anticipates spending approximately \$50,000 for servers this fiscal year. To ensure the best possible pricing through TIG, it would be prudent to utilize the State of California competitively bid contracts and authorize spending up to \$80,000 in fiscal year 2022/2023 to PC Specialists Inc., dba Technology Integration Group (TIG) to include the costs for the anticipated server and laptop purchases. For any expenditure above this threshold, we will come back to Council for additional expenditure authority. This authorization does not encumber or expend any funds, it only grants the authority to expend funds if the City needs to purchase goods. If the City expends below this threshold amount, no funds will be lost.

## **ATTACHMENTS**

1. State of California Cooperative Agreement 1-22-70-31C
2. State of California Cooperative Agreement 1-19-70-19D1-1