

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 10/24/05		Item Number: <u>C-4</u>	
AGENDA ITEM: Purchase of Replacement Personal Computers from Dell, Inc.			
Contact Person/Dept.: David Leuck		Phone Number: (310) 253-5961	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒	Attachments: ☒
Public Notification: Master Notification List (xx/xx/05), Dell (Derek Shade & Chris Herry 9/29/05)			
Department Approval: John Richo 10/12/05		CAO Approval: Jerry Fulwood 10/19/05	
City Controller Approval: Marlee Chang 10/18/05			

RECOMMENDATION:

That the City Council approves the purchase of 101 Personal Computers (PCs) from Dell for \$115,939.52 from the Computer Replacement Fund 30724100.

BACKGROUND:

Personal Computers (PCs) are a component of almost all office jobs in the City. Even field workers (inspectors, engineers, firemen, policemen, etc.) often use PCs after returning from the field to input data, write reports, and communicate with peers, supervisors, and the public. In addition, PCs are often attached to critical systems that run devices and services in the background. Examples include building monitoring, video streaming, specialized printers, and many others.

In 1997 the City began a major replacement and expansion. More than half of our current PCs were purchased between 1998 and 2001. They were purchased in phases over a period of approximately 4 years, and were all similarly configured. Warranty support for this inventory is over and the City maintains them on a parts and staff labor basis.

2005 marks four to seven years of service for these PCs. Along the way they have received some upgrades such as hard disks, memory, and other components to extend their useful lives.

Over the past three years many of these machines have begun to experience intermittent failures, which have impacted the production of the staff using them. During June 2004 lack of hard disk space stopped efforts to update the antivirus

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software and add security patches on systems during a virus outbreak until the disks could be replaced on more than 25 PCs in the Police Department.

DISCUSSION:

In private industry PCs have an expected life of three years, and are purchased with three year warranties. After three years the individual components (hard disk, memory, power supply, motherboard) of a PC are at a high risk of failure requiring replacement. In the ROI, (return on investment) utilized in the private sector it is more cost effective to replace the PC. Another key factor influencing replacement is the fact that over time, software vendors release new software, or upgrades to existing software that require PCs with more speed, processing power, or memory in order to function adequately.

Due to budget constraints, cities and governments have extended the life cycle of PCs to approximately 4 years. The attached survey (Attachment 1) was taken by MISAC (Municipal Information System Association of California). It includes responses from 18 agencies covering the life cycle, and funding source for the replacement of their PCs.

Of the PCs presently in City service (excluding the Police Department) the age breakdown is:

<u>Year Purchased</u>	<u>Number</u>
1998-99	45
2000-01	156
2002-05	202

The breakdown at the Police Department is:

<u>Year Purchased</u>	<u>Number</u>
1998	44
1999	8
2000	6
2001	4
2002	5
2003	4
2004	39

The City's software maintenance agreement with Microsoft automatically licenses the latest version of Windows, Office, and several other tools as they are released. The next major Microsoft operating system and Office upgrade is due in 2006. It is

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our understanding that many of our older PCs will not effectively run the next generation of software.

In the 2005-2006 Capital Budget \$47,000 was requested by the Police Department and \$77,000 requested by IT. These funds were deleted from the Capital Improvement plan 42000388 and a Computer Replacement fund (30724100) created and approved by the CAO and Council. IT is recommending the replacement of approximately one third of the PCs purchased prior to 2002 that are in normal use by city departments. We will also replace all of the PCs purchased by the Police Department in 1998. Most of the Police PCs will be retained for a special project.

Vendor Selection

For some time the City has standardized on Dell business class computers. Dell provides a number of advantages as the City's vendor. These include:

- Industry compatibility. As the largest PC maker in the world Dell drives standards in quality and compatibility.
- Free shipping. Purchased under the California Multiple Award Schedule (CMAS), municipalities pay no shipping costs on systems.
- Automatic increase to 3 year warranty on all PCs. Next business day on parts and labor.
- Call in support for hardware on a 24x7 basis.
- Longer product support life cycle. Dell is able to provide parts for their own systems from a worldwide support system. Custom built clone systems can only be supported as long as the local manufacturer can secure parts.
- The city has been standardized on Dell PCs for some years. From a maintenance and support perspective it is far more efficient to support a standardized inventory.

FISCAL ANALYSIS:

Replacement funding for technology is an ongoing issue with California local governments. Attachment 1 contains a summary of how 18 California communities and special districts handle the issue by policy, in practice, and contains comments on funding. Most of these agencies have established, and funded, technology replacement funds. In recent years, due to financial constraints, we have not been able to replenish our Technology Equipment Replacement Fund. The department also considered leasing. Attachment 3 contains responses from local agencies on their buy/lease practices. We have also discussed this issue with the City Controller, and she agrees with the buy option.

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For this purchase, IT will fund the acquisition through Replacement account 30724100 (Computer Replacement Fund). One Hundred One (101) PCs will cost \$115,939.52 including tax and free shipping. See Attachment 2 for Dell's quote.

The purchase will be made from the State of California's CMAS program directly from Dell. This program gives the City preferential pricing using the buying power of the State of California. The CMAS contract is overseen by the Department of General Services. Public Contract Code (PCC) Sections 10290 et seq. and 12101.5 include approval for local government agencies to use CMAS for acquisition of information technology and non-information technology products and services. AB 2866 and AB 1684 authorize local government agencies and school districts to use CMAS and other Department of General Services agreements without competitive bidding.

ATTACHMENTS:

Attachment 1: Computer Replacement Policies by City

Attachment 2: Dell quotations 247212944

Attachment 3: Buy/Lease Survey Comments.

MOTION:

That the City Council:

1. Approve the purchase of 101 Personal Computers (PCs) from Dell for \$115,939.52 from the Computer Replacement Fund 30724100.