

The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

Environmental Determination

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a “Project” as defined under Section 15378 of the State CEQA Guidelines because it will not result in a physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required.

BOARD/COMMISSION RECOMMENDATION

Not Applicable

DISCUSSION

Computer Equipment Purchases

City ITS staff is currently moving forward with a modernization project to replace aging computers and servers. As part of this project, staff is seeking to standardize the manufacturer of the computers (both desktops and servers) in order to provide much quicker resolution to issues. Currently, there are a number of desktop and server computer manufacturers providing services throughout the City. Having a single source provider would assist in having clarity for ITS staff to consult with in troubleshooting issues and testing of new software on the mix of desktop/server hardware that is in service today.

Staff is recommending that the City utilize a competitively bid contract via the NASPO ValuePoint (NASPO) contracting alliance (formerly the Western States Contracting Alliance - WSCA). NASPO ValuePoint is a cooperative purchasing program which facilitates public procurement solicitations and agreement using a lead state model. They are a non-profit organization dedicated to providing State Chief Procurement Officers with the support and procurement resources they need. Every NASPO ValuePoint contract is the result of a formal competitive solicitation conducted by trained, professional procurement officials of a lead state’s central procurement office under direction of a lead state’s State Procurement Official in accordance with that state’s procurement statutes, regulations, and policies. Section 2.56.140 of the City’s Municipal Code allows the City, to utilize this competitively bid contract to purchase computer equipment, provided that the purchasing agent determines the competitive bid process utilized was consistent with good purchasing practices. The purchasing agent has made that determination for the NASPO ValuePoint cooperative purchasing program.

Staff has selected Dell Computers as the vendor of choice for the modernization project. Dell has an excellent reputation within the technology industry and has provided the City with exemplary customer service over the years. Dell has also been the low bid on a majority of our quotes. Staff has almost exclusively been purchasing Dell servers, printers, network equipment and most recently desktop computers. Standardizing the fleets over the next few years will provide one point of contact with a vendor for service, as well as allowing much more flexibility in sharing hardware throughout our system.

Desktop Computer Replacement Program

The ITS Department is moving forward with the computer replacement program. Resolution 15-0183 previously authorized the City Manager to enter into a lease agreement with Dell Financial Services to lease 200 computers. All 200 computers have been deployed which eliminated all of the Windows XP machines which posed a serious network security threat to the City.

The next step in the Desktop Computer Replacement Program is to start replacing old PCs which have unacceptable specifications given the modern computing environment. Staff's goal is to replace many of the old PCs that were purchased during the economic downturn period as quickly as possible. These PCs were purchased from a vendor which was selling PCs that had come off a lease with another company. These PCs were already four years old when they were purchased. Staff is seeking approval to enter into additional lease agreements with Dell Financial Services to continue providing desktop PCs. The plan is to replace at least 200 PCs per year, over four years. The

YEAR	Number of PCs
FY 2015	200
FY 2016	200 + 50 (Library Public PC's)
FY 2017	200
FY 2018	200

table below details the deployment plan.

At the end of the four year replacement cycle, staff will determine whether to continue with a replacement program, or implement other technology solutions such as virtualized desktops, which would likely extend the lifecycle of the new PCs.

Staff is seeking approval to authorize the City Manager, or designee, to sign lease agreements each fiscal year through FY 2018 with Dell for the Desktop Computer Replacement Program.

For FY 2016, we will also be including an additional 50 PCs to replacing aging computers in the Library that are used by Library patrons. These will be handled under a separate lease agreement. These will be funded from the Public, Education and Government (PEG) Fund.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the 500-foot rule found in California Code of Regulations Title 2, section 18702.2(a)(11), is not applicable to this decision for purposes of determining a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware, and has not been informed by any City of Chula Vista City Council Member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

LINK TO STRATEGIC GOALS

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. This item either directly or indirectly impacts each of the five major Strategic goals by providing properly equipped computers for employees to carry out their work product for projects which impact each goal.

CURRENT YEAR FISCAL IMPACT

There is no impact to the General Fund in FY 2016 as funds for the next round of leases were already appropriated. The 50 PCs for the Library will be funded from the Public Education and Government Fund (PEG). There are no additional appropriations needed.

ONGOING FISCAL IMPACT

Staff is unable to determine the full future total costs of procuring computer equipment via the NASPO ValuePoint contract with Dell. The costs for the desktop computer lease program are detailed below, however staff is seeking authorization to purchase additional computer equipment should the need arise off a competitively bid contract which would mitigate the need to conduct time consuming additional quotes for pricing. Additionally, there would be no advantage to seek additional quotes as the pricing reflected in the NASPO ValuePoint contract is lower than any Dell retailer could provide. This pricing is direct from the manufacturer.

Funds for FY 2017 are included in the FY 2017 adopted budget. Funds have not been identified for the remaining Desktop Computer Replacement Program and will have to be considered as part of the annual budgetary process.

Desktop Computer Replacement Program							
	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Round 1 Lease	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000			
Round 2 Lease		\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000		
Round 3 Lease			\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	
Round 4 Lease				\$ 40,000	\$ 40,000	\$ 40,000	\$40,000
TOTAL COST	\$ 60,000	\$ 100,000	\$ 140,000	\$ 180,000	\$ 120,000	\$ 80,000	\$ 40,000

Staff estimates detailing the costs of the full lease program are noted below. The reduction in cost in Rounds 2 through 4 are a result of pricing reductions due to not having to purchase Microsoft operating system and Office licensing (those are included in our Microsoft Enterprise Agreement) and a reduction in the number of new monitors ordered.

Funding for the Library Patron computers will be from the Public Education and Government Fund. Sufficient funds exist and will be included in subsequent budget years. There is no General Fund impact.

Library Patron Computer Replacement				
	FY2016	FY2017	FY2018	FY2019
Round 1 Lease	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500
TOTAL COST	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500
PEG FUND OFFSET	\$(10,500)	\$(10,500)	\$(10,500)	\$(10,500)
NET GEN FUND COST	\$0.00	\$0.00	\$0.00	\$0.00

ATTACHMENTS

- 1) Resolution
- 2) Dell Lease Terms - 200 PC's and 100 Monitors
- 3) Dell Lease Terms - 50 PC's and 50 Monitors
- 4) Dell Master Purchase Agreement
- 5) Dell California Addendum

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