



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 27

Agenda Date: April 11, 2024

In Control: City Council A Session

DEPARTMENT: Information Technology Services Department

DEPARTMENT HEAD: Craig Hopkins

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Contractual Capacity and Authorization to Continue to Utilize State of Texas DIR Contracts in an amount up to \$88,478,938.00.

SUMMARY:

This action will build contractual capacity and authorize the City to continue to utilize the State of Texas Department of Information Resources (DIR) contracts. These contracts will 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 \$88,478,938.00. This Ordinance authorizes utilization of State DIR contracts which are competitively bid by the State and allow for a more efficient method for procurement of certain IT products and services from a number of different vendors. This action merely addresses the procurement of these IT products and services. To acquire these products and services, funds must be budgeted and appropriated in the City's operating or capital budgets.

BACKGROUND INFORMATION:

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 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 and favorable contract terms and conditions, reduced solicitation and negotiating time, and consistency in the products and services available.

The City has utilized this DIR contracting and authority process since 2009. Most recently, City Council authorized an ordinance on December 15, 2022 for an additional \$60.5 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 up to \$88,478,938.00.

ISSUE:

This action will provide ITSD with contractual capacity and 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.

These DIR contracts will be utilized in IT capital projects, public safety, 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, as well as essential replacement and modernization. All expenditures under the DIR Contracts will be made in accordance with the City's adopted operating and capital budgets.

All technology procurements citywide are coordinated through ITSD and the IT Governance Board (Deputy City Manager, Chief Financial Officer and Chief Information Officer) and undergo a technology review to ensure compliance with adopted information technology standards, compliance with established security protocols, compatibility with existing systems and alignment with the City's information technology portfolio.

Historically, these ordinances have helped to reduce lead times associated with technology purchases since these contracts have previously been awarded in accordance with State technology and bidding guidelines. 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.

Additionally, all newly proposed contracts are reviewed in accordance with the City's Small Business Economic Development Advocacy Ordinance before any contract award is finalized. It

is anticipated that just over 43% of the spend authorized through this ordinance will result in direct or indirect contracts with local small, minority and woman owned businesses.

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 through the 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 not to exceed \$88,478,938.00. Purchases made by departments are as needed and dependent upon available funds within their adopted budgets.

The \$88,478,938.00 will be spent in the following categories: IT capital projects, departmental projects, bond projects, 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 through the mid-2025.

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 \$88,478,938.00.