

INFORMATION TECHNOLOGY MANAGEMENT OFFICE

Business Case

3April 2009

Western State Contracting Alliance (WSCA) Personal Computer

The Information Technology Management Office (ITMO) would like to issue Participating Agreements to those contractors that have been awarded contracts under the new 2009 WSCA PC Contract. This would assist State agencies, city and counties with their purchases of personal computer (desktop workstations. Laptops and mobile); small, mid-range servers; storage solutions hardware for small LANS; individual or small shared printers; multifunction (print, copy, scan, fax) printers; Instructional Bundles; and limited peripherals to support desktop computing; including digital projectors.

Purchase of software is allowed only at the time of the purchase of the hardware and is restricted to off the shelf operating system that does not require signing any type of license agreement.

Educational offerings include hardware configurations and special purpose educational software. Software offerings, other than education software, are restricted to operating systems and packaged (off-the-shelf) software that does not require signing any type of license agreements.

Lease agreements will be added to the State Participating Agreement to be handled through the State Leasing Management Contract.

Stakeholders

Information Technology Management Office

State Agencies

City and County

Municipalities

Reasons for contracts for Personal Computers

The current WSCA PC contract expires 31 Aug 2009.

The primary objective is to establish permissive Master Price Agreement(s) with contractors who are able to provide specific personal computer and peripherals so that Purchasing Entities may order product(s) appropriate for their needs. These awards are focused on the desktop and office/work group as opposed to the enterprise.

The second objective is to obtain greater volume-based price discounts resulting from the administrative savings that the Contractor(s) will accrue from the maintenance of a single,

comprehensive Master Price Agreement for multiple governmental jurisdictions. Extended warranty and maintenance services were allowed through value-added services.

The current WSCA PC contract is valued at \$ 589,101,656.00. The estimated sales for the 09-13 State Term Contract will be approximately \$ 650,000,000.00 even though the economy is presently in a recession the outlook for the rest of the years of this contract is favorable.

Take back programs and green incentives will add more savings for the agencies.

Problems

Contracts are NOT for the offer and purchase of major, large hardware or hardware and software offerings. Servers and Storage are not to exceed \$300,000; Desktop per unit/configuration costs are not to exceed \$100,000. Printers of all types and monitors per unit/configuration are not to exceed \$50,000. This IS NOT a restriction on how many units/configurations can be purchases, but on the value of each individual unit/configuration.

The purpose of this agreement is that no one entity should be afforded better pricing because of its larger volume or purchases over an entity with a smaller volume of purchases.

Competition

To qualify for award, responders were required, at a minimum, to manufacture the products in any one or more of the required bands and agree to take legal responsibility for the warranty and maintenance of all proposed equipment, including peripherals. Contractor was required to provide warranty and maintenance call number's, accept, process and respond to call, and be legally liable for and pay for warranty and maintenance (under warranty) activities.

Most of the vendors will utilize local small and minority businesses for sales and service. This will allow agencies to use local vendors they trust and prefer to do business with. Thus supporting our local businesses.

Goals & Objectives

The goals of this Participating Agreement are to allow multiple vendors on contract to meet the needs of all agencies.

Risks

At this time the dollar amount that this contract will generate is not determined. They were 36 responses of which 34 were evaluation. Of the 34 evaluated, the team selected 23 manufacturers to proceed to the demonstration phase of evaluation.

A 1% Administrative fee will be in the Participating Agreement.

The following manufacturers were selected to proceed to negotiations with the lead State of MN:

Sun

Quantum (new)

Xiotech (new)

All WSCA negotiations are planned to be completed by the end of June at which time the Participating Agreements will have to be put in place prior to expiration of the existing contracts.

Reporting Requirements

Monthly contract reports will be required for all sales that have been provided to the Agencies.

Agnes Copeland _____

3 April 2009

Agnes Copeland

Date

Procurement Manager

APPROVED: _____

Mike Spicer

Date

Chief Procurement Officer, ITMO