

## South Bay Cities Council of Governments

November 17, 2016

TO: SBCCOG Board of Directors

FROM: SBCCOG Steering Committee

### **SUBJECT: Information Technology (IT) Contracts - REVISED**

#### Adherence to Strategic Plan:

*Goal D: Organizational Stability.* Be a high performing organization with a clear path to long-term financial health, staffing continuity, and sustained board commitment.

#### SUMMARY OF REQUEST

Approval for the continued support of information technology (IT) services from Computer Solutions Group (CSG), ~~Computer Resources Group (CRG)~~ and Xerox Corporation include: IT systems and device support for staff; ~~hosting SBCCOG web sites~~; scanning, printing, and copying, respectively. Currently, the annual costs that SBCCOG pays for IT services are as follows:

- CSG - \$25,650 (for 12 supported users, the proposed new contract will include two more)
- ~~CRG - \$6,000~~
- Xerox Corporation - more than \$16,800 (Costs vary depending on the volume of prints per month. The \$16,800 amount is based on the average cost of what was paid over the last 12 months.)

And, authorization to purchase three replacement computers, warranties, equipment to connect monitors, installation and configuration.

#### BACKGROUND

After signing agreements with current IT systems providers CSG and CRG for 2016-2017, both companies' contracts are approaching the end of their term and need to be revisited. The working relationship and service provided by both companies has been stellar along with successfully transitioning SBCCOG's IT systems and web sites into new dynamic environments. Support has consistently and responsively met the needs of SBCCOG staff to facilitate their adaptation and ongoing functions.

Additionally, SBCCOG's 60-month lease with Xerox Corporation is also nearing its conclusion. Now that SBCCOG is looking to scan files into its cloud-based Microsoft Office 365 server while scaling back on the scope of its print jobs, a more cost-effective solution to meet the office's printing, scanning, and copying needs has been identified. SBCCOG staff reviewed proposals from four companies, including the current Xerox lease provider. Each made machine and accompanying lease term recommendations. These four companies were selected for review based on recommendations made by SBCCOG partners, the companies' proximity to SBCCOG's office, and their longevity in the industry.

## IT Systems Contracts

The recommendations were compared by SBCCOG staff and are listed on the attached spread sheets.

Based on the firms' assessments and associated costs which all include ongoing maintenance, the SBCCOG staff is recommending the following:

- 1) **Contract with Computer Solutions Group (CSG) for IT Management and Customer Support:** SBCCOG staff recommends signing a 3 year/36-month agreement with CSG to continue to manage and provide support for the SBCCOG's IT systems. CSG has been in business for 20 years and has proven to be capable of servicing SBCCOG's needs over a long-term agreement.
  
- ~~2) **Contract with Civic Resource Group (CRG):** SBCCOG staff recommends signing a 3 year/36 month agreement with CRG to continue hosting and developing SBCCOG's web sites. CRG has worked with SBCCOG partners such as Los Angeles County Metropolitan Transportation Authority (Metro) and Southern California Association of Governments (SCAG) while being in business for over 15 years.~~ **TABLED BY STEERING COMMITTEE TO GET MORE INFORMATION**
  
- 3) **Lease with Xerox Corporation:** SBCCOG staff recommends signing a 5 year/60-month lease agreement with the current lease provider, Xerox Corporation. Xerox Corporation provided the most cost-competitive proposal that allows staff to easily interface with a machine that tracks print job types, reduces print waste, seamlessly connects to devices and servers, and produces and compresses high-resolution scans. Furthermore, the lease agreement includes support, maintenance, and automated supply replenishment that will save SBCCOG staff time and resources. Q Dox, Xerox Corporation's Agent, has worked with SBCCOG over the past 5 years providing a high quality of service and has been in business for more than 15 years.
  
- 4) **Authorization to Buy Equipment:** CSG also did an analysis of the office equipment and prepared an equipment replacement plan. They are recommending replacement of 3 computers.

## FUNDING

SBCCOG staff is recommending 36-month and 60-month agreements for CSG, CRG and Xerox Corporation, respectively because these are the industry standards for long-term agreements and will save SBCCOG money.

- CSG's agreement will cost \$27,570 which is \$1,920 more than currently because we will be adding 2 more supported users.
- ~~CRG's annual contract cost is \$5,100.~~
- Xerox Corporation's agreement can potentially save roughly \$30,000 over the 60-month period pending the amount of printing. Annual lease cost would be approximately \$11,207 depending on use. The current lease options allow for changes in equipment and software as technology changes over time. The SBCCOG will have the opportunity to renegotiate the lease before the term of the 60-months is over if desired. All leases offer the same terms to allow this renegotiation.
- The quote received for purchasing computers and ancillary equipment and installation is \$4,349.50. With approval to purchase, staff will review prices for this equipment to

determine where it can be purchased at the least cost. Therefore, this amount is a placeholder at this time.

Additionally, SBCCOG staff is recommending a contingency budget of \$1,990 to accommodate immediate replacement needs and warranty expirations for IT equipment that is essential to operations and must be addressed in the coming year. All IT system costs will be funded through SBCCOG grants and contracts. Costs are detailed on the attached spreadsheets.

#### RECOMMENDATION

Recommend Board approval to execute contracts for the services of CSG (\$27,570/year) and ~~CRG (\$5,100/year)~~ at the 36-month cost. Annual budget will be \$32,670 and the total 3-year budget will not exceed \$104,500 (including operational costs, equipment purchase of approximately \$4,500 and a \$1,990 one-time only contingency budget). Additionally, recommend Board approve and direct SBCCOG staff to execute a contract for the services of Xerox Corporation at the 60-month cost not to exceed \$60,000 which includes a small contingency.

**The Steering Committee tabled the CRG contract and requested further information.**

Prepared by Chandler Shields