



# ALAMEDA COUNTY INFORMATION TECHNOLOGY DEPARTMENT

1106 MADISON STREET, OAKLAND, CA 94607 • (510) 481-3700 • FAX (510) 272-3608

DAVID MACDONALD  
DIRECTOR

July 6, 2009

AGENDA \_\_\_\_\_ Date: July 21, 2009

The Honorable Board of Supervisors  
Administration Building  
Oakland, California 94612

Dear Board Members:

**SUBJECT:** Authorize Auditor-Controller to issue a Board-Approved Blanket Purchase Order ITDPT00000001117 (Original ITDPT0000000160) with International Business Machines (IBM), in the amount of \$5,100,000 for the period July 1, 2009 through June 30, 2012.

**RECOMMENDATION:**

Authorize the Auditor-Controller to issue a Board-Approved Blanket Purchase Order with International Business Machines (IBM), (Principal: Douglas M. Naschke, Sacramento, CA), in the amount of \$5,100,000 (\$1,700,000 annually) for the period July 1, 2009 through June 30, 2012 for information technology services.

**DISCUSSION/FINDINGS:**

This action would renew the current agreement for three years at the rate of \$1.7 annually with IBM for software/hardware rental and maintenance services. These services include continuation of major IBM software/hardware products and equipment, provided by and available only from IBM. This equipment is required to operate major county systems, including major software/hardware products such as the county's operating system, relational databases and teleprocessing system software/hardware used countywide. In addition, the purchase order will also provide for the software maintenance, printer maintenance, hardware and equipment maintenance. Last fiscal year's PO's will expire on June 30, 2009, thus the effective date for this renewal is July 1, 2009.

**SELECTION CRITERIA AND PROCESS**

***On June 24, 2009, General Services Agency signed and approved a Finding of Non-Competition – as this agreement is for a licensing renewal for maintenance of software and operating systems from its original developer which is exempted from the competitive bid requirements. In addition, the Office of Acquisition Policy (OAP) approved SLEB Waiver # 400 because SLEBs are not large enough to service this account and are not absolutely compatible.***

**FINANCING:**

Adequate funds are available in the Information Technology Department budget; therefore no additional appropriation is required.

Sincerely,

  
David Macdonald, Director  
Information Technology Department

cc: Susan Muranishi, County Administrator  
Patrick O'Connell, Auditor-Controller  
Aki Nakao, General Services Agency



AKI K. NAKAO, Director

May 26, 2009

GSA-OAP

TO: Doris Bryant, Assistant Director, GSA Purchasing

JUN 24 2009

FROM: Felix Chang, Procurement Specialist II, GSA Purchasing

RECEIVED

SUBJECT: Finding of Non-Competition- Exception to Sole Source:  
Purchase from International Business Machine Corporation (IBM) FC

This is to document my finding that competitive bidding is not possible for hardware software maintenance, license renewal and support in the amount of \$5,100,000 for the Information Technology Department and therefore the Departmental Justification to Request a Waiver of County Competitive Bidding Requirement, copy attached, is approved.

In accordance with the County Administrative Code Section 4.12.010 entitled "Purchases to be by Competitive Quotation", all purchases of and contracts for materials, supplies, services, furnishings, equipment, livestock, and other personal property shall be based wherever possible on competitive quotations.

I have reviewed the attached Departmental Justification to Request Waiver of County Competitive Bidding Requirement. I have determined the requested products and/or supplier cannot be substituted to satisfy the County's requirements. ITD needs the software and hardware to support, develop, and maintain automated County programs and processes. The maintenance services are specific to the IBM mainframe computer ITD operates and no other vendor can provide it. The equipment is required to operate major County systems, including major software/hardware products such as the County's operating system, relational databases and teleprocessing system used countywide. Refer to Procurement and Sole Source Policy under Section V Item A: Licensing renewal for maintenance of software and operating system from its original developer, is exempted from competitive bid requirements. Therefore, this is an acknowledged exception and the request is recommended for your approval. The Information Technology Department must obtain Board approval for services that exceed \$25,000 requesting authorization for the President of the Board to sign the contract or approve the purchase. The Auditor-Controller issues Board signed contracts and approved purchase orders or purchase order changes with/without signed contracts.

GSA Purchasing:

Approved: Sharon Perkins 5/26/09  
Senior Procurement Specialist/Date

[Signature] 6/24/09  
John Glenn, Purchasing Manager/Date

GSA Office of Acquisition Policy:

SLEB Compliant: \_\_\_\_\_

Waiver Approved/Reason: Absolute Competitibility  
Licensees exempt from SLEB

First Source Compliant: \_\_\_\_\_

Waiver Approved/Reason: Out of The Area



AKI K. NAKAO, Director

*Linda Moore 6/25/09*

Linda Moore, Business Outreach Officer

Pedro Valencia, Deputy Director

Approved:

*Doris Bryant*

Doris Bryant, Assistant Director, GSA

Date:

*6/25/09*

Attachment(s)

I:\PURCHASING\PURCHGENMASTERS\Sole Source or Finding or Non Competition\Finding of Non-Competition memo.doc



400

GSA-OAP

JUN 24 2009

RECEIVED

OFFICE OF ACQUISITION POLICY (OAP)

Request for Authorization to Use Non-SLEB Contractor/Subcontractor

DIRECTIONS

For Requests over \$3,000 to \$25,000: EITHER complete 1-8 below and submit, with supporting documentation, for approval to GSA Purchasing Procurement Specialist, QIC 26026 OR e-mail justification, with supporting documentation, for approval to the appropriate GSA Purchasing Procurement Specialist. Upon approval, the Specialist will process the procurement(s).

For Requests over \$25,000: Complete 1-10 below and submit with signatures and supporting documentation, for approval to GSA-OAP Business Outreach Officer, QIC 26021 AND email soft copy (PDF or WORD) to nakia.neal@acgov.org. Upon approval, a SLEB Waiver Number will be issued. (This number is now a mandatory field in order to enter a Procurement contract into ALCOLINK.) OAP will email signed Request approvals (with Waiver Number) and denials to Requesting Departments and GSA Purchasing.

1. Please check appropriate box and complete department/contact information below.

[X] Requesting Department [ ] GSA Purchasing managing the competitive process

Department: ITD Contact: Angel Davila Email: angel.davila@acgov.org Telephone #: 26659

2. Recommended Vendor (Name): International Business Machines Corp (IBM)

(Street Address): 1 New Orchard Road (City, State & Zip): Armonk, New York 10504

3. Total Contract (or PO/BPO) Value: \$5,100,000 Contract (or PO/BPO) Term: 3 years or One-Time Purchase [ ]

4. Date Goods/Services Needed: July 1, 2009

5. Brief explanation of why goods/services are required:

Software and hardware to support, develop and maintain automated County programs and processes. Some of the software is specific to the IBM mainframe computer we operate to service the County and no other vendor can provide it.

6. What are the consequences if the date goods/services needed (in #4 above) is not met? Unable to pay the monthly charges.

7. Explain what attempts were made to locate a SLEB prime or subcontractor(s), including:

- a. Detailed statement of efforts made to contact and negotiate with certified businesses, including list of certified businesses contacted with names of individuals, addresses, phone numbers and dates contacted.
b. List of items or selected portions of work proposed to be performed by certified business in order to increase the likelihood of achieving the stated goal.
c. Reasons for contractor's conclusion that a certified subcontractor is not qualified to perform.
d. Description of information provided to certified contractors/subcontractors regarding the plans, specifications and anticipated time schedule for portions of the work to be performed.

Various vendors provide some of the existing products individually or in suites. These include: Computer Associates, Hitachi Corporation, Unisys, Allen Systems, Sun Corporation Many other small niche vendors offer products in the mix above but they are unproven, not large enough to support the County's requirements or not satisfactory replacements to the existing products.

8. Department Certification for requests over \$3,000 to \$25,000: I certify to the accuracy of the preceding statements,

Signature of Agency/Department Head or Designee Print Name Date

9. If the contract is over \$100,000, is the recommended vendor able to comply with the First Source Program?

Yes: [ ] No: [ ] If No, explain:

10. Department Certification for requests over \$25,000: I certify to the accuracy of the preceding statements,

Signature of Agency/Department Head or Designee or GSA Purchasing Manager (if GSA Purchasing managed the process) Print Name Date

OAP to complete below, for purchases over \$25,000:

A. Request Approved: [X] Waiver Valid Through 06/30/10 SLEB Waiver Number: 400

Reason: SLEBs not large enough to service acct, absolute compatibility

B. Request Denied: [ ]

Reason: \_\_\_\_\_

*Linda Moore*  
Approved by GSA-Office of Acquisition Policy

6/25/09  
Date

Approved by Pedro Valencia, Deputy Director, GSA

Date

EOAP/MAIN DOCUMENTS FILES/LEB WAIVER PROCEDURE/Request for Authorization to Use Non-SLEB Contractor 02-03-09