

File No. 160414

Committee Item No. 11

Board Item No. 23

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date June 8, 2016

Board of Supervisors Meeting

Date JUNE 14, 2016

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Contract/Agreement |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
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Completed by: Linda Wong Date June 3, 2016
Completed by: Linda Wong Date 6/9/16

1 [Contract Amendment - InterVision Systems Technologies, Inc. - Technology Marketplace,
2 Tier 1B - \$15,000,000]

3 **Resolution authorizing the Office of Contract Administration to enter into the first**
4 **amendment of the contract agreement between the City and County of San Francisco**
5 **and InterVision Systems Technologies, Inc., a Technology Marketplace, Tier 1B**
6 **Specialist contractor , to increase the contract limit from \$12,000,000 to \$15,000,000 for**
7 **the period of October 1, 2014, through September 30, 2017.**

8
9 WHEREAS, The Office of Contract Administration, by competitive bidding, developed
10 the Technology Marketplace procurement method for the purchase of products and services
11 related to Information Technology; and

12 WHEREAS, InterVision Systems Technologies, Inc. is one of the vendors who is part
13 of the Technology Marketplace, Tier1B Specialists; and

14 WHEREAS, The original contract with InterVision Systems Technologies, Inc. dated
15 October 1, 2014, has a term of three years through September 30, 2017, with options to
16 extend the term through September 30, 2019, and has an original contract amount of
17 \$12,000,000; and

18 WHEREAS, The Board of Supervisors approved the original contract on October 1,
19 2014 by Resolution No. 362-14; and

20 WHEREAS, The Office of Contract Administration estimates that the money
21 projected to be spent with InterVision Systems Technologies, Inc. could reach the contract's
22 limit in the reasonably near future; and

23 WHEREAS, Charter, Section 9.118(b) "Contract and Lease Limitations," requires the
24 Board of Supervisors to approve any contract estimated to exceed \$10,000,000 in
25 expenditures or amendments exceeding \$500,000 to such contracts; now, therefore, be it

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RESOLVED, That the Board of Supervisors authorizes the Purchaser and the Director of the Office of Contract Administration to enter into the First Amendment to the contract with InterVision Systems Technologies, Inc. in substantially the form attached to increase the contract limit from \$12,000,000 to \$15,000,000; and, be it

FURTHER RESOLVED, That within thirty (30) days of the First Amendment being fully executed by all parties, the Office of Contract Administration shall provide the final First Amendment to the Clerk of the Board for inclusion into the official file.

| | |
|---|---|
| <p>Items 9, 10, 11 and 12 Files 16-0413, 16-0415, 16-0414 and 16-0412,</p> | <p>Department: Office of Contract Administration (OCA)</p> |
|---|---|

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolutions would approve the first amendment to the Technology Marketplace Tier 1B contract between the City and InterVision Systems Technologies, Inc. (InterVision) and the second amendments to each of the three Technology Marketplace Tier 1A contracts between the City and Xtech Joint Venture (Xtech), ComputerLand of Silicon Valley (ComputerLand), and En Pointe Technology Sales, LLC (En Pointe). The first amendment to the InterVision contract increases the not-to-exceed amount by \$3 million, from \$12 million to \$15 million. The second amendment to the (a) Xtech contract increases the not-to-exceed amount by \$24 million, from \$32 million to \$56 million, (b) ComputerLand contract increases the not-to-exceed amount by \$12 million, from \$32 million to \$44 million, and (c) En Pointe contract increases the not-to-exceed amount by \$19 million, from \$31 million to \$50 million. The total increase in all four contracts is \$58 million, from \$107 million to \$165 million. The contracts' end dates of September 30, 2017 are unchanged.

Key Points

- Each of the four technology companies were selected through a competitive Request for Proposals (RFP) process with original contracts beginning October 1, 2014 and ending September 30, 2017.
- In July 2015, the Board of Supervisors approved the first amendments to the Tier 1A contracts with Xtech, ComputerLand, and En Pointe contracts which increased the initial not-to-exceed amounts of \$12 million each to \$32 million, \$32 million, and \$31 million, respectively.

Fiscal Impact

- The four existing Technology Marketplace contracts combined have a total not-to-exceed amount of \$107,000,000 for the three-year term from October 1, 2014 through September 30, 2017. During the first 18 months of the contracts, from October 2014 through March 2016, City departments expended or encumbered approximately 77 percent or \$82,845,735 of the total combined contracts' not-to-exceed amount of \$107,000,000.
- According to OCA, the requested increase in the not-to-exceed amount of each of the three contracts is projected to be sufficient for estimated contract expenditures through the end of the contract term in September 2017.

Recommendation

- Approve the proposed resolutions.

MANDATE STATEMENT

In accordance with City Charter Section 9.118(b), contracts that have a term of more than ten years or expenditures of \$10 million or more, or amendments to such contracts of more than \$500,000, are subject to Board of Supervisors approval.

BACKGROUND

The Office of Contract Administration (OCA) selects information technology firms through a competitive Request for Proposals (RFP) process to provide goods and services through the Technology Marketplace. City departments may purchase technology products and specialized services through the Technology Marketplace on an as-needed basis.

The Technology Marketplace offers technology products and services through the following three tiers of contracts. The Tier 1 contracts have amounts of more than \$10 million and require the technology company to provide a wide selection of products, professional services, maintenance, and training for City departments. Tier 1 contracts consist of Tier 1A, which offer general services, and Tier 1B, which offer specialized services. Tier 2 contracts are for amounts of less than \$10 million, and Tier 3 contracts are for services provided by Local Business Enterprises for amounts of \$400,000 or less.

The City has nine active Tier 1 contracts, six of which are Tier 1A and three of which are Tier 1B.¹ Legislation to approve four additional Tier 1B contracts is pending before the Board of Supervisors (Files 16-0416 through 16-0419 of this report).²

DETAILS OF PROPOSED LEGISLATION

File 16-0412 is a resolution to approve the second amendment to the Technology Marketplace Tier 1A contract between the City and Xtech, JV (Xtech);

File 16-0413 is a resolution to approve the second amendment to the Technology Marketplace Tier 1A contract between the City and ComputerLand of Silicon Valley (ComputerLand);

File 16-0414 is a resolution to approve the first amendment to the Technology Marketplace Tier 1B contract between the City and InterVision Systems Technologies, Inc. (InterVision); and

File 16-0415 is a resolution to approve the second amendment to the Technology Marketplace Tier 1A contract between the City and En Pointe Technologies Sales, LLC (En Pointe).

OCA entered into contracts with each of these four companies, based on a competitive RFP process, for a three-year term from October 1, 2014 through September 30, 2017, with two

¹ The six Tier 1A technology companies are Central Computers, Inc., ComputerLand of Silicon Valley, En Pointe Technologies Sales, Inc., Technology Integration Group, World Wide Technology, Inc., and Xtech JV. The three Tier 1B technology companies are InterVision Systems Technologies, Inc., Robert Half Technology, and Stellar Services, Inc.

² The four proposed Tier 1B technology companies include Cornerstone Technology Partners II, JV, Learn IT!, SoftNet Solutions, Inc., and United Layer.

one-year options to extend the contract through September 30, 2019. The initial not-to-exceed amount of each contract was \$12,000,000.

The Board of Supervisors approved the first amendments to the contracts with three of the four companies - Xtech, ComputerLand, and En Pointe - in July 2015. The first amendments to the contracts with Xtech and ComputerLand increased the not-to-exceed amount in each contract by \$20 million from \$12 million to \$32 million. The first amendment to the contract with En Pointe increased the not-to-exceed amount by \$19 million from \$12 million to \$31 million.

The proposed resolutions increase the not-to-exceed contract amount for each of the four contracts as shown in Table 1 below. All other contract provisions, including the contract term, which expires on September 30, 2017 with two one-year options to extend the contracts at the sole discretion of OCA, will remain the same.

Table 1. Proposed Increase in Contract Not-to-Exceed Amount

| Contract | Current | Proposed | Increase |
|-----------------------------|----------------------|----------------------|---------------------|
| Xtech (File 16-0412) | \$32,000,000 | \$56,000,000 | \$24,000,000 |
| ComputerLand (File 16-0413) | 32,000,000 | 44,000,000 | 12,000,000 |
| InterVision (File 16-0414) | 12,000,000 | 15,000,000 | 3,000,000 |
| En Pointe (File 16-0415) | 31,000,000 | 50,000,000 | 19,000,000 |
| Total | \$107,000,000 | \$165,000,000 | \$58,000,000 |

Source: Office of Contracts and Administration (OCA) staff.

FISCAL IMPACT

The four existing Technology Marketplace contracts have a combined total not-to-exceed amount of \$107,000,000 for the three-year term from October 1, 2014 through September 30, 2017, as shown in Table 1 above. During the first 18 months of the contracts, from October 2014 through March 2016, City departments expended or encumbered approximately 77 percent or \$82,845,735 of the total combined contracts' not-to-exceed amount of \$107,000,000, as shown in Table 2 below. OCA projects the same level of spending over the remaining 18 months of the contract, resulting in total contract expenditures of approximately \$165,000,000, as shown in Table 2 below.

**Table 2. Technology Marketplace Contract Actual Expenditures and Encumbrances
(October 2014 through March 2016)**

| Contract | Actual Contract Expenditures (October 2014 through March 2016) | Projected Expenditures^a (April 2016 through September 2017) | Total Actual and Projected Expenditures (October 2014 through September 2016) | Proposed Contract Not-to-Exceed Amount |
|-----------------------------|---|---|--|---|
| Xtech (File 16-0412) | \$28,113,694 | \$28,113,694 | \$56,227,388 | \$56,000,000 |
| ComputerLand (File 16-0413) | 22,225,100 | 22,225,100 | 44,450,200 | 44,000,000 |
| InterVision (File 16-0414) | 7,504,855 | 7,504,855 | 15,009,710 | 15,000,000 |
| En Pointe (File 16-0415) | 25,002,086 | 25,002,086 | 50,004,171 | 50,000,000 |
| Total | \$82,845,735 | \$82,845,735 | \$165,691,469 | \$165,000,000 |

Source: Office of Contracts and Administration (OCA) staff based on City's EIS Reporting system.

^a Projected expenditures of \$82,845,735 for the final 18 months of the contracts from April 2016 through September 2017 are based on actual expenditures of \$82,845,735 for the initial 18 months of the contracts from October 2014 through March 2016.

According to OCA, the requested increase in the not-to-exceed amount of each of the four contracts is projected to be sufficient for estimated contract expenditures through the end of the contract term in September 2017. All expenditures under these contracts are subject to appropriation approval by the Board of Supervisors in the City's annual budgets.

RECOMMENDATION

Approve the proposed resolutions.

**City and County of San Francisco
Office of Contract Administration
Purchasing Division**

InterVision Systems Technologies, Inc.

First Amendment

THIS AMENDMENT (this "Amendment") is made as of _____, 2016, in San Francisco, California, by and between **InterVision Systems Technologies, Inc.**, ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Director of the Office of Contract Administration.

RECITALS

WHEREAS, a Request for Proposal ("RFP") was issued on **September 27, 2013**, and City selected Contractor pursuant to the RFP;

WHEREAS, approval for this Agreement was obtained when the Civil Service Commission approved Contract number **PSC 4062-13/14** on **January 6, 2014**;

WHEREAS, City and Contractor have entered into the Agreement (as defined below) when the Board of Supervisors approved **Resolution No. 362-14** on **September 23, 2014**;

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to increase the amount from **\$12,000,000** to **\$15,000,000**; and

NOW, THEREFORE, Contractor and the City agree as follows:

1. **Definitions.** The following definitions shall apply to this Amendment:

1a. **Agreement.** The term "Agreement" shall mean the Agreement dated October 1, 2014 between Contractor and City.

1b. **Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. **Modifications to the Agreement.** The Agreement is hereby modified as follows:

2a. **Compensation.** Section 5 of the Agreement currently read as follows:

5. **Compensation.** Compensation shall be made by Ordering Departments in accordance with the terms of each Authorization for an Order. In no event shall the amount of this Agreement exceed **twelve million dollars and no cents (\$12,000,000.00)**. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Ordering Department or Purchasing as being in accordance with this Agreement, limited to the total of the Order that gave rise to such event. City may withhold payment to Contractor in any instance in which Contractor has failed or

refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of CMD Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the department, the Director of CMD and Contractor of the omission. If Contractor's failure to provide CMD Progress Payment Form is not explained to the Controller's satisfaction, the Controller will withhold 20% of the payment due pursuant to that invoice until CMD Progress Payment Form is provided. Following City's payment of an invoice, Contractor has ten days to file an affidavit using CMD Payment Affidavit verifying that all subcontractors have been paid and specifying the amount.

Such section is hereby amended in its entirety to read as follows:

5. Compensation. Compensation shall be made by Ordering Departments in accordance with the terms of each Authorization for an Order. In no event shall the amount of this Agreement exceed **fifteen million and no cents (\$15,000,000.00)**. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Ordering Department or Purchasing as being in accordance with this Agreement, limited to the total of the Order that gave rise to such event. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of CMD Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the department, the Director of CMD and Contractor of the omission. If Contractor's failure to provide CMD Progress Payment Form is not explained to the Controller's satisfaction, the Controller will withhold 20% of the payment due pursuant to that invoice until CMD Progress Payment Form is provided. Following City's payment of an invoice, Contractor has ten days to file an affidavit using CMD Payment Affidavit verifying that all subcontractors have been paid and specifying the amount.

3. Effective Date. Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

4. Legal Effect. Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.

CITY

CONTRACTOR

Recommended by:

InterVision Systems Technologies, Inc.

Greg Pustelnik
Supervising Purchaser
Office of Contract Administration

Daniella Frankina
Vice President, Finance
333 Bush Street, Suite 1410
San Francisco, CA 94104
City vendor number: 92062

Approved as to Form:

Dennis J. Herrera
City Attorney

By: _____
Rosa M. Sánchez
Deputy City Attorney


Approved:

Jaci Fong
Director of the Office of Contract
Administration, and
Purchaser



Edwin M. Lee
Mayor

Jaci Fong
Director and Purchaser
Purchasing

Date: April 18, 2016
To: Angela Calvillo, Clerk of the Board
From: Jaci Fong, 
Purchaser and Director
Subject: Resolution Approving Four Technology Marketplace Contract Amendments

The Office of Contract Administration is submitting the enclosed resolutions that will authorize the Office of Contract Administration to execute three Tier 1A and one Tier 1B Technology Marketplace contract amendments, pursuant to Charter Section 9.118(b). The proposed values of the four Tier 1 contracts are as follows:

- \$44,000,000 for ComputerLand of Silicon Valley
- \$56,000,000 for Xtech JV
- \$50,000,000 for En Pointe Technologies Sales, Inc.
- \$15,000,000 for InterVision Systems Technologies, Inc.

The term of the above contracts remains unchanged from the previous Board approval at three years, with two options to extend the contracts for up to one year each at the City's sole and absolute discretion.

The proposed contract amounts are forecasted based on the actual volume of business the City has done under the corresponding Technology Marketplace – Tier 1 Contracts since the inception of the Technology Marketplace on October 1, 2014.

If you have any questions, please contact Greg Pustelnik at (415) 554-6264.
Thank you for your consideration.

Enclosures:

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

| | |
|--|--|
| City Elective Officer Information <i>(Please print clearly.)</i> | |
| Name of City elective officer(s): | City elective office(s) held: |
| Members, Board of Supervisors | Members, Board of Supervisors |
| Contractor Information <i>(Please print clearly.)</i> | |
| Name of contractor: InterVision System Technologies, Inc. | |
| <i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i> | |
| <i>(1) Jeff Keiser, Jason Gress, Whitney Tomlin, Danielle Frankina (2) Whitney Tomlin - CEO, Danielle Frankina - CFO; (3) Jeff Keiser - Principal, Jason Gress - Principal</i> | |
| Contractor address: Headquarters- 2270 Martin Ave, Santa Clara, Ca 95050 SF Office – 333 Bush St. Ste 1410, San Francisco, Ca 94104 | |
| Date that contract was approved: | Amount of contract: \$15,000,000 (First Amendment) |
| Describe the nature of the contract that was approved: Computer hardware, software and services | |
| Comments: | |

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves: San Francisco Board of Supervisors
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

| | |
|---|---|
| Filer Information <i>(Please print clearly.)</i> | |
| Name of filer: Angela Calvillo, Clerk of the Board | Contact telephone number: (415) 554-5184 |
| Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102 | E-mail: Board.of.Supervisors@sfgov.org |

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

S:\ALL FORMS\2008\Form SFEC-126 Contractors doing business with the City 11.08.doc