



DATE: August 14, 2023
TO: Angela Calvillo, Clerk of the Board
FROM: Sailaja Kurella, Director of Office of Contract Administration (OCA) and Purchaser
SUBJECT: Resolution to Approve Amendments to Term Contract #99400 –Technology Marketplace

Enclosed is the resolution authorizing amendments to the following three (3) as-needed Technology Marketplace contracts:

- (1) Amendment 5 to Contract 1000012604 with CCT Technologies, Inc. dba Computerland of Silicon Valley for the purchase of technology products and specialized services on an as-needed basis. The proposed Amendment is to increase the contract not to exceed amount of \$62.9 million by \$3.6 million, for a total not-to-exceed (NTE) amount of \$66.5 million, for a total contract duration of five years starting January 1, 2019 and ending December 31, 2023;
- (2) Amendment 5 to Contract 1000018903 with Insight Public Sector Inc. for the purchase of technology products and specialized services on an as-needed basis. The proposed Amendment is to increase the contract not to exceed amount of \$40.2 million by \$3.6 million for a total not-to-exceed (NTE) amount of \$43.8 million, for a total contract duration of five years starting January 1, 2019 and ending December 31, 2023; and
- (3) Amendment 4 to Contract 1000012619 with Zones, LLC for the purchase of technology products and specialized services on an as-needed basis. The proposed Amendment is to increase the contract not to exceed amount of \$24.1 million by \$2.2 million for a total not-to-exceed (NTE) amount of \$26.3 million, for a total contract duration of five years starting January 1, 2019 and ending December 31, 2023.

Technology Marketplace

The City’s Technology Marketplace (previously known at the “Computer Store”) originated in the 1990’s as an efficient purchasing model for the City’s evolving technology needs. The Technology Marketplace reduces the amount of time needed to complete a transaction from several months to 1-2 weeks. It is used by the City’s 60+ departments to purchase technology goods and services on an as-needed basis based on departments’ business needs.

Currently, the Technology Marketplace consists of a prequalified pool of Suppliers selected through a Request for Proposals (RFP) process conducted by the Office of Contract Administration (OCA) in 2017. Based on the results of this RFP, the awarded Technology Marketplace contractors were awarded Master Agreements against which City departments can make purchases for technology goods and services. The contractors are separated into three Tiers, as summarized in the table below.

| | Tier 1 Contractors | Tier 2 Contractors | Tier 3 Micro LBE Set-Aside Contractors |
|----------------------------|---------------------------------------|--|---|
| Number of Suppliers | 18 (consisting of 1 LBE JV) | 9 (consisting of 4 LBE primes) | 24 (All Micro-LBEs) |



| | | | |
|------------------------------|--------------------------------------|--------------------------------------|---|
| | | | Note: Each Micro LBE has multiple contracts ranging from 1-4 contracts each based on their LBE certifications. |
| Initial Contract Size | \$20M/Contract | \$3M/Contract | \$110k/Contract |
| LBE % Requirements | 15% of awarded professional services | 15% of awarded professional services | N/A, all suppliers are Micro-LBEs |

Purchasing through the Technology Marketplace

Each transaction completed through the Technology Marketplace requires OCA oversight and approval. Though each Technology Marketplace contractor was awarded a contract through an RFP process, they are required to bid on all transactions above established thresholds. Competition ensures City departments receive the best value for their purchases.

Below is a summary of awards made through solicitations for each of the three contracts OCA is now seeking to amend:

| Firm | Contract ID | Total \$ Awarded through a Solicitation | Total \$ Awarded through a Solicitation as a Percentage of Total \$ Awarded |
|----------------------------|--------------------|--|--|
| CCT Technologies, Inc. | 1000012604 | \$46,256,607 | 77.13% |
| Insight Public Sector Inc. | 1000018903 | \$34,732,419 | 88.34% |
| Zones, LLC | 1000012619 | \$23,217,268 | 96.53% |

Determining When to Amend a Technology Marketplace Contract

As mentioned above, competition amongst the Technology Marketplace contractors is critical to City’s goal of receiving the best value of any purchase. To ensure each contractor can fairly compete for each transaction for the full duration of its contract, OCA routinely monitors spend against each Technology Marketplace contract to determine when it will require additional funds through its contract end date.

Based on this analysis, OCA has determined that the below amendments are necessary to ensure adequate funds for each contract identified below through its contract end date of December 31, 2023:

- (1) Amendment 5 to Contract 1000012604 with CCT Technologies, Inc. dba Computerland of Silicon Valley to increase the contract not to exceed amount of \$62.9 million by \$3.6 million, for a total not-to-exceed (NTE) amount of \$66.5 million;



- (2) Amendment 5 to Contract 1000018903 with Insight Public Sector Inc to increase the contract not to exceed amount of \$40.2 million by \$3.6 million for a total not-to-exceed (NTE) amount of \$43.8 million; and
- (3) Amendment 4 to Contract 1000012619 with Zones, LLC to increase the contract not to exceed amount \$24.1 million by \$2.2 million for a total not-to-exceed (NTE) amount of \$26.3 million.

OCA’s calculation for this determination is provided below.

| Supplier Name | Department Contract ID | PS Contract ID | Contract Start Date | Contract End Date | Current Contract NTE | Balance (\$) as of Aug 2023 | Contract Spend to Date | Avg Monthly Spend to Date | Amt Needed through Contract End Date 31, 2023 | Rounded Value of Amendment | |
|---------------|------------------------|----------------|---------------------|-------------------|----------------------|-----------------------------|------------------------|---------------------------|---|----------------------------|--------------|
| | | | | | | | | | | Increase | Revised NTE |
| Computerland | TC99400 | 1000012604 | 1/1/2018 | 12/31/2023 | \$62,900,000 | \$1,953,269 | \$60,946,731 | \$1,108,122 | \$5,540,612 | \$3,600,000 | \$66,500,000 |
| Insight | TC99400 | 1000018903 | 1/1/2018 | 12/31/2023 | \$40,200,000 | \$81,748 | \$40,118,252 | \$729,423 | \$3,647,114 | \$3,600,000 | \$43,800,000 |
| Zones | TC99400 | 1000012619 | 1/1/2018 | 12/31/2023 | \$24,100,000 | \$56,828 | \$24,043,172 | \$437,149 | \$2,185,743 | \$2,200,000 | \$26,300,000 |

The history of all amendments to each contract is provided below:

| Contract 1000012604 with CCT Technologies, Inc. dba Computerland of Silicon Valley: | | | |
|--|-------------------------------------|--------------|------------------------|
| | Term | NTE | BOS Approval |
| Original | January 1, 2019 – December 31, 2021 | \$20,000,000 | File 18-1117 |
| Amendment 1 | January 1, 2019 – December 31, 2021 | \$23,000,000 | File 19-0877 |
| Amendment 2 | January 1, 2019 – December 31, 2021 | \$44,000,000 | File 20-0936 |
| Amendment 3 | January 1, 2019 – December 31, 2023 | \$44,000,000 | N/A– No change in NTE |
| Amendment 4 | January 1, 2019 – December 31, 2023 | \$62,900,000 | File 22-0175 |
| Contract 1000018903 with Insight Public Sector Inc: | | | |
| | Term | NTE | BOS Approval |
| Original | January 1, 2019 – December 31, 2021 | \$20,000,000 | File 18-1122 |
| Amendment 1 | January 1, 2019 – December 31, 2021 | \$28,000,000 | File 20-0938 |
| Amendment 2 | January 1, 2019 – December 31, 2023 | \$28,000,000 | N/A – No change in NTE |
| Amendment 3 | January 1, 2019 – December 31, 2023 | \$39,700,000 | File 22-0177 |



| | | | |
|--|-------------------------------------|--------------|---------------------------------|
| | 31, 2023 | | |
| Amendment 4 | January 1, 2019 – December 31, 2023 | \$40,200,000 | N/A– NTE increased by \$500,000 |
| Contract 1000012619 with Zones, LLC | | | |
| | Term | NTE | BOS Approval |
| Original | January 1, 2019 – December 31, 2021 | \$20,000,000 | File 18-1132 |
| Amendment 1 | January 1, 2019 – December 31, 2023 | \$20,000,000 | N/A– No change in NTE |
| Amendment 2 | January 1, 2019 – December 31, 2023 | \$23,600,000 | File 22-0180 |
| Amendment 3 | January 1, 2019 – December 31, 2023 | \$24,100,000 | N/A– NTE increased by \$500,000 |

Summary

The Technology Marketplace contracts are critical for meeting City departments’ needs for technology goods and services. Approval of these three Resolutions will ensure each Technology Marketplace contractor can fairly compete for each transaction for the full duration of its contract. It also allows City departments to continue receiving competitive pricing when procuring technology goods and services.

If you have any questions or require additional information, please contact Jonathan Jew on my team at 415-695-2193.

Enclosures:

1. CCT 1000012604 Amend 5 Resolution
2. CCT 1000012604 Amend 5 Agreement
3. CCT 1000012604 Form 126f(4)
4. Insight 1000018903 Amend 5 Resolution
5. Insight 1000018903 Amend 5 Agreement
6. Insight 1000018903 Form 126f(4)
7. Zones 1000018903 Amend 4 Resolution
8. Zones 1000018903 Amend 4 Agreement
9. Zones 1000018903 Form 126f(4)