

File No. 1100413

Committee Item No. 9  
Board Item No. 22

# 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

- |                                     |                                     |  |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/>            | Motion                                       |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Introduction Form                            |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/>            | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Subcontract Budget                           |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Public Correspondence                        |

### OTHER (Use back side if additional space is needed)

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Completed by: Linda Wong Date June 3, 2016  
Completed by: Linda Wong Date 6/9/16

1 [Contract Amendment - ComputerLand of Silicon Valley - Technology Marketplace, Tier 1A -  
2 \$44,000,000]

3 **Resolution authorizing the Office of Contract Administration to enter into the second**  
4 **amendment to the contract agreement between the City and County of San Francisco**  
5 **and ComputerLand of Silicon Valley, a Technology Marketplace, Tier 1A Generalist**  
6 **contractor, to increase the contract limit from \$32,000,000 to \$44,000,000 for the period**  
7 **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, ComputerLand of Silicon Valley is one of the six vendors who is part of  
13 the Technology Marketplace, Tier1A Generalists; and

14 WHEREAS, The original contract with ComputerLand of Silicon Valley 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 Board of Supervisors approved the First Amendment to the contract  
21 on July 14, 2015 by Resolution No. 260-15 to increase the contract amount from  
22 \$12,000,000 to \$32,000,000; and

23 WHEREAS, The Office of Contract Administration estimates that the money  
24 projected to be spent with ComputerLand of Silicon Valley could reach the contract's limit in  
25 the reasonably near future; and

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

4           RESOLVED, That the Board of Supervisors authorizes the Purchaser and the  
5 Director of the Office of Contract Administration to enter into the second amendment to the  
6 contract with ComputerLand of Silicon Valley in substantially the form attached to increase  
7 the contract limit from \$32,000,000 to \$44,000,000; and, be it

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

**Items 9, 10, 11 and 12  
Files 16-0413, 16-0415, 16-0414  
and 16-0412,**

**Department:  
Office of Contract Administration (OCA)**

**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.<sup>1</sup> Legislation to approve four additional Tier 1B contracts is pending before the Board of Supervisors (Files 16-0416 through 16-0419 of this report).<sup>2</sup>

## 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

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<sup>1</sup> 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.

<sup>2</sup> 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**

<b>Contract</b>	<b>Current</b>	<b>Proposed</b>	<b>Increase</b>
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
<b>Total</b>	<b>\$107,000,000</b>	<b>\$165,000,000</b>	<b>\$58,000,000</b>

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)

<b>Contract</b>	<b>Actual Contract Expenditures</b> (October 2014 through March 2016)	<b>Projected Expenditures <sup>a</sup></b> (April 2016 through September 2017)	<b>Total Actual and Projected Expenditures</b> (October 2014 through September 2016)	<b>Proposed Contract Not-to-Exceed Amount</b>
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
<b>Total</b>	<b>\$82,845,735</b>	<b>\$82,845,735</b>	<b>\$165,691,469</b>	<b>\$165,000,000</b>

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

<sup>a</sup> 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**

**CCT Technologies, Inc., dba ComputerLand of Silicon Valley**

**Second Amendment**

THIS AMENDMENT (this "Amendment") is made as of \_\_\_\_\_, 2016, in San Francisco, California, by and between **CCT Technologies, Inc., dba ComputerLand of Silicon Valley**, ("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, the Board of Supervisors approved the First Amendment by **Resolution No. 260-15** on **July 14, 2015** modifying the Agreement to increase the not-to-exceed amount from \$12,000,000 to \$32,000,000

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to increase the not-to-exceed amount; 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 as amended by the First Amendment dated July 17, 2015.

**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 **thirty-two million dollars and no cents (\$32,000,000.00)**. 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 **forty-four million dollars and no cents (\$44,000,000.00)**. 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**

Recommended by:

\_\_\_\_\_  
Greg Pustelnik  
Purchasing Supervisor  
Office of Contract Administration

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

**CONTRACTOR**

CCT Technologies, Inc.  
Db a ComputerLand of Silicon Valley

\_\_\_\_\_  
Connie Tang  
CEO/President  
CCT Technologies  
Db a ComputerLand of Silicon Valley  
482 West San Carlos Street  
San Jose, CA 95110

City vendor number: 67883




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

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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)

<b>City Elective Officer Information</b> <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors

<b>Contractor Information</b> <i>(Please print clearly.)</i>	
Name of contractor: CCT 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> (1) Connie Tang, CEO (2) Dogulas Green, COO/CFO (3) Connie Tang (4) None (5) None	
Contractor address: 482 W San Carlos, San Jose, CA 95110	
Date that contract was approved:	Amount of contract: \$ 44,000,000 (Second 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

<b>Filer Information</b> <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