



DATE: February 14, 2022
TO: Angela Calvillo, Clerk of the Board
FROM: Sailaja Kurella, Director of Office of Contract Administration (OCA) and Purchaser ^{SK}
SUBJECT: Resolution to Approve Amendments to Term Contract #99400 – Technology Marketplace

Enclosed are the resolutions authorizing amendments to the following six (6) as-needed Technology Marketplace contracts:

- (1) Amendment 4 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 \$44 million by \$18.9 million, for a total not-to-exceed (NTE) amount of \$62.9 million, for a total contract duration of five years starting January 1, 2019 and ending December 31, 2023;
- (2) Amendment 2 to Contract 1000012606 with Cornerstone Technology Partners II JV 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 \$20 million by \$11.2 million for a total not-to-exceed (NTE) amount of \$31.2 million, for a total contract duration of five years starting January 1, 2019 and ending December 31, 2023;
- (3) Amendment 3 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 \$28 million by \$11.7 million for a total not-to-exceed (NTE) amount of \$39.7 million, for a total contract duration of five years starting January 1, 2019 and ending December 31, 2023;
- (4) Amendment 3 to Contract 1000012610 with InterVIsion Systems, 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 \$31 million by \$13.4 million for a total not-to-exceed (NTE) amount of \$44.4 million, for a total contract duration of five years starting January 1, 2019 and ending December 31, 2023;
- (5) Amendment 4 to Contract 1000012618 with XTech JV 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 \$80 million by \$35.7 million for a total not-to-exceed (NTE) amount of \$115.7 million, for a total contract duration of five years starting January 1, 2019 and ending December 31, 2023; and
- (6) Amendment 2 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 \$20 million by \$3.6 million for a total not-to-exceed (NTE) amount of \$23.6 million, for a total contract duration of five years starting January 1, 2019 and ending December 31, 2023.

Background

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. In fact, the Technology Marketplace contracts are used by the City's 60+ departments to purchase technology goods and services on an as-needed basis based on departments' business needs.

The Technology Marketplace consists of a prequalified pool of Suppliers selected through a rigorous solicitation process conducted by the Office of Contract Administration (OCA). The Suppliers are separated into three Tiers, as summarized in the table below.



	Tier 1	Tier 2	Tier 3 Micro LBE Set-Asides
Number of Suppliers	19 (consisting of 1 LBE JV)	10 (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	\$600K/Contract
Competitive Solicitation Thresholds	> \$25K: Bid required	> \$25K: Bid required	> \$129K: Bid required
LBE % Requirements	15% of awarded professional services	15% of awarded professional services	N/A, all suppliers are Micro-LBEs

The Technology Marketplace reduces the amount of time needed to complete a transaction from several months to 1-2 weeks. All transactions above established thresholds must be competitively solicited to the applicable Tier. OCA conducts solicitations for Commodities, while City departments are delegated with the responsibility of conducting solicitations for Professional Services. Below is a summary of awards made through solicitations for the six agreements OCA seeks to amend:

Firm	Contract ID	Total \$ Awarded through a Solicitation as a Percentage of Total \$ Awarded
CCT Technologies, Inc.	1000012604	\$30,423,198.18 (78.15%)
Cornerstone Technology Partners II JV	1000012606	\$18,766,398.59 (97.21%)
Insight Public Sector Inc.	1000018903	\$21,728,643.70 (87.19%)
InterVision Systems, LLC	1000012610	\$23,338,833.33 (94.79%)
X Tech JV	1000012618	\$56,782,524.80 (79.14%)
Zones, LLC	1000012619	\$14,122,484.49 (96.04%)

Since transitioning to PeopleSoft in July 2017, OCA has conducted all Technology Marketplace solicitations in PeopleSoft. Effective May 2021, OCA required all City departments to also use PeopleSoft to conduct their Technology Marketplace solicitations. The purpose of requiring all Technology Marketplace solicitations to be advertised in PeopleSoft is to ensure transparency and accurate documentation for all Technology Marketplace awards.



Contracts for which Amendments are Sought

The Request for Proposals (RFP) for the current Technology Marketplace was conducted in 2018. With regard to Tier 1, OCA received 21 proposals, of which 19 met the minimum requirements and the minimum score to participate in the Technology Marketplace. Each Tier 1 contract was awarded an initial term of three years, from January 2019 through December 2021, with the option to extend through December 2023. The initial not-to-exceed amount of each Tier 1 contract was \$20,000,000 and each contract was approved by the Board of Supervisors.

In September 2019, the Board of Supervisors approved amending the following contracts from the Tier 1 pool:

- (1) Amendment 1 to Contract 1000012604 with CCT Technologies, increasing the not-to-exceed amount from \$20,000,000 to \$23,000,000 (File 19-0877); and
- (2) Amendment 1 to Contract 1000012618 with XTech JV, increasing the not-to-exceed amount from \$20,000,000 to \$44,000,000 (File 19-0878);

In October 2020, the Board of Supervisors approved amending the following contracts from the Tier 1 pool:

- (1) Amendment 2 to Contract 1000012604 with CCT Technologies, increasing the not-to-exceed amount from \$23,000,000 to \$44,000,000 (File 20-0936);
- (2) Amendment 2 to Contract 1000012618 with XTech JV, increasing the not-to-exceed amount from \$44,000,000 to \$80,000,000 (File 20-0940);
- (3) Amendment 1 to Contract 1000018903 with Insight Public Sector Inc., increasing the not-to-exceed amount from \$20,000,000 to \$28,000,000 (File 20-0938); and
- (4) Amendment 1 to Contract 1000012610 with Intervision Systems, LLC, increasing the not-to-exceed amount from \$20,000,000 to \$31,000,000 (File 20-0939).

In September 2021, OCA amended all Tier 1, 2 and 3 Technology Marketplace contracts to December 31, 2023. The extensions in duration did not require approval by the Board of Supervisors.

At this time OCA seeks to approval for the following amendments:

- (1) Amendment 4 to Contract 1000012604 with CCT Technologies, Inc. dba Computerland of Silicon Valley to increase the contract not to exceed amount of \$44 million by \$18.9 million, for a total not-to-exceed (NTE) amount of \$62.9 million;
- (2) Amendment 2 to Contract 1000012606 with Cornerstone Technology Partners II JV to increase the contract not to exceed amount of \$20 million by \$11.2 million for a total not-to-exceed (NTE) amount of \$31.2 million;
- (3) Amendment 3 to Contract 1000018903 with Insight Public Sector Inc to increase the contract not to exceed amount of \$28 million by \$11.7 million for a total not-to-exceed (NTE) amount of \$39.7 million;
- (4) Amendment 3 to Contract 1000012610 with InterVision Systems, LLC to increase the contract not to exceed amount of \$31 million by \$13.4 million for a total not-to-exceed (NTE) amount of \$44.4 million;
- (5) Amendment 4 to Contract 1000012618 with XTech JV to increase the contract not to exceed amount of \$80 million by \$35.7 million for a total not-to-exceed (NTE) amount of \$115.7 million; and
- (6) Amendment 2 to Contract 1000012619 with Zones, LLC to increase the contract not to exceed amount \$20 million by \$3.6 million for a total not-to-exceed (NTE) amount of \$23.6 million.



Justification

To determine which Technology Marketplace contracts require additional funds, OCA multiplied the average monthly spend for each contract times the number of remaining months on each contract. Based on this analysis, OCA has determined the following 6 contracts require additional funds to ensure adequate capacity through December 31, 2023.

Firm	Contract ID	Current NTE	Spend through 1/31/22	Avg Monthly Spend (Spend to date / 37 months)	Est. Amt Needed for Remaining Contract Duration (Avg Monthly Spend * 23 Months)	Current Remaining Balance as of 1/31/22	Est. Amt Needed for Remaining Contract Duration Less Current Remaining Balance	Est. Amt Needed for Remaining Contract Duration Less Current Remaining Balance (Rounded to Nearest 100,000)
CCT Technologies, Inc.	1000012604	44,000,000	38,787,870	1,048,321	24,111,378	5,212,130	18,899,248	18,900,000
Cornerstone Technology Partners II JV	1000012606	20,000,000	19,230,841	519,752	11,954,306	769,159	11,185,147	11,200,000
Insight Public Sector Inc.	1000018903	28,000,000	24,466,199	661,249	15,208,718	3,533,801	11,674,917	11,700,000
InterVision Systems, LLC	1000012610	31,000,000	27,388,323	740,225	17,025,174	3,611,677	13,413,496	13,400,000
X Tech JV	1000012618	80,000,000	71,367,235	1,928,844	44,363,416	8,632,765	35,730,652	35,700,000
Zones, LLC	1000012619	20,000,000	14,546,538	393,150	9,042,443	5,453,462	3,588,981	3,600,000

The Technology Marketplace contracts are critical for satisfying City departments’ needs for technology goods and services. In fact, the Technology Marketplace reduces the amount of time needed to complete a transaction from several months to 1-2 weeks. Approval of these six Resolutions will allow City departments to continue procuring these items in a streamlined and cost-efficient manner without any lapse in services.

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

Enclosures:

1. SFEC Form 126(f)4 - Contract 1000012604 (CCT Technologies, Inc. dba Computerland of Silicon Valley)
2. Amendment [4] - Contract 1000012604 (CCT Technologies, Inc. dba Computerland of Silicon Valley)
3. SFEC Form 126(f)4 - Contract 1000012606 (Cornerstone Technology Partners II JV)
4. Amendment [2] - Contract 1000012606 (Cornerstone Technology Partners II JV)
5. SFEC Form 126(f)4 - Contract 1000018903 (Insight Public Sector Inc)
6. Amendment [3] - Contract 1000018903 (Insight Public Sector Inc)
7. SFEC Form 126(f)4 - Contract 1000012610 (InterVision Systems, LLC)
8. Amendment [3] - Contract 1000012610 (InterVision Systems, LLC)
9. SFEC Form 126(f)4 - Contract 1000012618 (XTech JV)
10. Amendment [4] - Contract 1000012618 (XTech JV)
11. SFEC Form 126(f)4 - Contract 1000012619 (Zones, LLC)
12. Amendment [2] - Contract 1000012619 (Zones, LLC)