



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)