



**San Francisco Office of the City Administrator
City Administrator Carmen Chu**

Technology Marketplace Proposed Contract Amendments

Files 23-0905 through 23-0907

Office of Contract Administration

Board of Supervisors' Budget and Finance Committee
September 20, 2023

Evolution of the Technology Marketplace



- Originated in the 1990's as an efficient purchasing model for the City's technology needs.
- Reduces the time required to complete a transaction from several months to 1-2 weeks.
- Expanded from a handful number of suppliers to more than 50 in its most recent iteration.

General Structure

- The Technology Marketplace consists of 51 suppliers, separated into three tiers, with **as-needed term contracts** used by the City's 60+ departments to purchase technology goods and services based on departments' business needs.
 - **Tier 1:** 18 contracts with initial NTE amounts of \$20 million each. Pool consists of 2 Joint Ventures with LBEs.
 - **Tier 2:** 9 contracts with initial NTE amounts of \$3 million each. Pool consists of 3 LBEs.
 - **Tier 3:** 24 contracts with initial NTE amounts of \$600,00 each. All contracts are with Micro-LBEs.

Determining When to Amend a Contract

- **OCA routinely monitors contract usage.** Amendments are sought when OCA determines the contract will run out of funds before its contract end date based on usage to date.
- Based on this analysis, **the NTE for each contract below must be increased to ensure they have adequate funds through their contract end date:**
 1. **CCT Technologies (PS 1000012604):** Amendment 5, increasing the NTE to \$66,500,000 (File 23-0905).
 2. **Insight Public Sector (PS 1000012609):** Amendment 5, increasing the NTE to \$43,800,000 (File 23-0906).
 3. **Zones (PS 1000012619):** Amendment 4, increasing the NTE to \$26,300,000 (File 23-0907).

Expenditures for Proposed Amendments

Supplier	Actual Expenditures (through 7/31/23)	Actual Expenditures per month	Projected Expenditures (5 months)	Amended NTE (Actual + Projected rounded to nearest \$100k)
CCT Technologies (File 23-0905)	60,946,731	1,108,122	5,540,612	66,500,000
Insight Public Sector (File 23-0906)	40,118,252	729,423	3,647,114	43,800,000
Zones (File 23-0907)	24,043,172	\$2,274,694	2,185,743	26,300,000

Expenditures for Proposed Amendments by Dept.

Department	Amount (Through 7/31/23)
Public Utilities Commission	\$26,619,920
Department of Technology	18,199,507
Public Library	12,537,356
Airport	11,198,598
Public Works	9,934,579
Human Services Agency	9,344,375
Public Health	7,628,566
Police Department	6,686,419
City Administrator's Office	3,655,207
Fire Department	3,209,218
General City Responsibility	2,072,340
Treasurer/Tax Collector	1,541,962
Department of Emergency Management	1,450,939
City Planning	1,423,975
Controller's Office	1,240,191
Department of Building Inspection	1,168,285
City Attorney's Office	738,795
Retirement System	555,793
Other City Departments (Under \$500,000 in Expenditures)	4,136,061
Total	\$123,342,086

Rational for Amending these Contracts

- Though each Technology Marketplace contractor was awarded a contract through an RFP process, **they are required to bid on all transactions above established thresholds.**
- **Approval of these amendments 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.

Awards made through solicitations for these three contracts

- Below is a summary of awards made through solicitations for each of the three contracts OCA is now seeking to amend.
- The majority of these awards were due to the contractor being the successful lowest bidder or highest ranked proposer.

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%

Thank You