City and County of San Francisco
Daniel Lurie, Mayor

Office of the City Administrator
Carmen Chu, City Administrator
Sailaja Kurella, Director
Office of Contract Administration/Purchasing

DATE: February 14, 2025

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 99410 – As-Needed IT Commodities and Professional Services (Technology Marketplace 3.0)

Enclosed is the resolution authorizing execution of Term Contract 99410 consisting of the following four (4) contracts:

(1) Contract 1000033753 with ISSQUARED, Inc. dba ComputerLand of Silicon Valley for the purchase of as-needed technology products and specialized technology services, including but not limited to software licenses, computer hardware, configuration/integration services, and software maintenance/support. The proposed Amendment is to increase the contract not to exceed amount of $20 million by $41.065 million, for a total not-to-exceed (NTE) amount of $61.065 million and a total contract duration of five years, commencing on January 1, 2024 and ending on December 31, 2028;

(2) Contract 1000031408 with Cornerstone Technology Partners II JV for the purchase of as-needed technology products and specialized technology services, including but not limited to software licenses, computer hardware, configuration/integration services, and software maintenance/support. The proposed Amendment is to increase the contract not to exceed amount of $20 million by $22.413 million, for a total not-to-exceed (NTE) amount of $42.413 million and a total contract duration of five years, commencing on January 1, 2024 and ending on December 31, 2028;

(3) Contract 1000031409 with Insight Public Sector, Inc. for the purchase of as-needed technology products and specialized technology services, including but not limited to software licenses, computer hardware, configuration/integration services, and software maintenance/support. The proposed Amendment is to increase the contract not to exceed amount of $20 million by $33.848 million, for a total not-to-exceed (NTE) amount of $53.848 million and a total contract duration of five years, commencing on January 1, 2024 and ending on December 31, 2028;

(4) Contract 1000031412 with Xtech JV (AIXTEK dba Eaton Associates | 21Tech LLC) for the purchase of as-needed technology products and specialized technology services, including but not limited to software licenses, computer hardware, configuration/integration services, and software maintenance/support. The proposed Amendment is to increase the contract not to exceed amount of $20 million by $65.014 million, for a total not-to-exceed (NTE) amount of $85.014 million and a total contract duration of five years, commencing on January 1, 2024 and ending on December 31, 2028.

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. The Technology Marketplace purchasing

program 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. To use the Technology Marketplace, departments submit a requisition in PeopleSoft for OCA review. Once approved, a purchase through the Technology Marketplace results in a purchase order ("PO") issued by OCA to the Technology Marketplace reseller. The purchase order draws down on the Technology Marketplace reseller's Term Contract with the City and is subject to its terms and conditions. Departments cannot sign any agreements, but must abide by the manufacturer's license, use and support terms. All other matters are governed by the Term Contract between the Technology Marketplace reseller and City.

Tech Marketplace 3.0: New Opportunities for LBEs

On August 21, 2023, OCA set out to establish the next version of the Tech Marketplace and issued a Request for Proposals ("RFP") pursuant to Sourcing Event 0000007900 seeking qualified suppliers to provide technology commodities and services to City departments on an as-needed basis. Simultaneously with Sourcing Event 0000007900, OCA issued a Micro-Local Business Enterprise (Micro-LBE) Set Aside RFP in accordance with Chapter 14B.7(K) of the San Francisco Administrative Code. The Micro-LBE Set Aside RFP was issued pursuant to Sourcing Event 0000008618 and sought qualified Micro-LBE suppliers who could also provide IT commodities and services to City Departments on an as-needed basis.

These two RFPs established the City's Technology Marketplace 3.0 ("TM3") purchasing program, which replaced the prior program, known as the Technology Marketplace 2.0 ("TM2").

Today, TM3 consists of 91 contracts awarded to 61 suppliers, broken down between two pools, a "Standard Pool" and a "Micro-LBE Set Aside Pool".

A. **Standard Pool:**
   (1) Ten (10) contracts awarded to ten (10) suppliers, each for $20,000,000 and with an LBE subcontracting requirement of 18%;
   (2) Forty-four (44) contracts awarded to forty-four (44) suppliers, each for $9,000,000 and with an LBE subcontracting requirement of 18%; and

B. **Micro-LBE Set Aside Pool:** Thirty-seven (37) Micro-LBE Set Aside contracts awarded to twenty (20) suppliers, each for an amount not to exceed the Minimum Competitive Amount ("MCA") as defined by Chapter 14B of the San Francisco Administrative Code, currently $230,000.

Unlike its prior iterations, TM3 has provided significant opportunities for LBEs.

1. **Ability to compete in the Standard Pool**: Prior to TM3, LBEs could not participate in the Standard Pool. With the launch of TM3, LBE's are now eligible to participate in all solicitations within TM3 and, if applicable, granted a 10% LBE bid discount/rating bonus during the bid evaluation process. Because of this change, nearly $15.7MM (19%) of the approximately $83.2MM of the total awards made to the Standard Pool Suppliers since January 1, 2024 have been awarded to LBEs. These are opportunities that never existed for LBEs in any prior iteration of the Tech Marketplace. Table 1 provides a further breakdown of how these

awards have been allocated between LBEs and Non LBEs.

Table 1: Total PO Encumbrances Across all Standard Pool Contracts as of January 8, 2025 and Total PO Encumbrances for LBEs within the Standard Pool

Contract ID	Supplier Name	PO Encumbrances as of 1/8/2025
1000031412	XTECH	$15,492,153.62
1000033753	Computerland	$11,144,146.83
1000031409	INSIGHT PUBLIC SECTOR INC	$9,797,701.41
1000031408	CORNERSTONE TECHNOLOGY PARTNERS II JV	$7,739,955.46
1000031462	NEW TECH SOLUTIONS INC	$7,005,384.23
1000031410	Intervision Systems LLC	$3,512,735.79
1000031518	ZONES, LLC	$3,110,721.97
1000031404	CCS Global Tech	$2,755,981.01
1000031444	ConvergeOne, Inc.	$1,495,436.24
1000031406	CENTRAL COMPUTERS INC	$1,367,740.41
	All other Non-LBE Suppliers, combined*:	$4,062,884.70
	LBE Suppliers, combined:	**$15,722,774.01**
	Total PO Encumbrances:	**$83,207,615.68**

**This includes all suppliers that are not LBEs and not the top ten suppliers in expenditures.*

2. **Increased LBE Subcontracting Opportunities:** In prior iterations of the Tech Marketplace, non-LBEs were only required to subcontract 15% to Micro-LBEs with respect to professional services. That number increased to 18% with TM3. To date, nearly $965,000 (or 8%) of the PO encumbrances for professional services has been subcontracted out to LBEs. Table 2 provides further details by each Contractor in the Standard Pool.

Table 2: Total Amount Subcontracted to LBEs as a % of all PO Amounts Awarded for Professional Services for Standard Pool contracts as of January 8, 2025

Supplier Name	Amount ($) of Professional Services Awarded	Amount ($) of Professional Services Subcontracted to LBEs	% of Professional Services Subcontracted to LBEs
Accend Networks	$6,475.00	$-	0%
Actnet Advanced Technology Corp	$33,980.00	$-	0%
Ameritech Computer Services	$16,570.48	$-	0%

Andax Tech	$603,200.00	$-	0%
Apis Technology	$1,285,590.00	$-	0%
Axelliant	$105,994.62	$-	0%
Beta Nineties Computer Inc	$31,900.00	$-	0%
CCS Global Tech	$1,331,130.01	$133,466.30	10%
CDW	$62,243.35	$-	0%
Computerland	$1,279,675.00	$340,746.00	27%
Cornerstone	$727,539.80	$20,241.00	3%
Delta Computer Solutions	$938,450.00	$-	0%
Diamond Technology	$38,060.00	$38,060.00	100%
DPP Tech	$1,165,520.00	$426,032.00	37%
Essention Group Inc.	$154,795.00	$-	0%
FivePaths	$126,102.00	$-	0%
GenSigma	$135,200.00	$-	0%
INRY	$198,800.00	$-	0%
Insight Public Sector Inc	$807,211.42	$-	0%
New Tech Solutions	$158,688.00	$-	0%
T&S Trading Company	$2,150.00	$-	0%
West Coast Consulting	$138,000.00	$-	0%
Xtech	$2,076,061.31	$3,088.00	0%
Xterra Solutions	$24,999.99	$-	0%
Zones, LLC	$398,538.13	$2,943.13	1%
Grand Total	**$11,846,874.11**	**$964,576.43**	**8%**

3. **Micro-LBE Set Aside Pool:** As in its prior iteration (Tech Marketplace 2.0), TM3 also has a Micro-LBE Set Aside pool whereby transactions below the Minimum Competitive Amount do not require further solicitation to the Pool, which Micro-LBEs have benefited greatly from. This ensures departments utilize this pool to the maximum possible extent. As shown in Table 3, a total of $3,726,877 has been awarded to the Micro-LBE Set Aside Pool as of January 8, 2025.

Table 3: Total PO Encumbrances Across all Micro-LBE Set Aside Contracts as of January 8, 2025

Contract ID(s)	Supplier Name	PO Encumbrances as of 1/8/2025
1000031580	Accend Networks	$200,000.00
1000031581	Actnet Advanced Technology Corp	$352,278.15

1000031582 1000031583		
1000031584	Apis Technology	$199,990.00
1000031585 1000031586	Beta Nineties Computer Inc.	$226,685.86
1000031587	Capital Partnerships Inc.	$126,862.04
1000031588 1000031589	Delta Computer Solutions Inc.	$172,432.46
1000031590 1000031591 1000031592	Diamond Technology Inc.	$396,373.72
1000031593 1000031594 1000031595	Digital Disclosure	$162,633.66
1000031596 1000031597 1000031598	Exygy Inc.	$120,514.50
1000031599	Farallon Geographics Inc.	$200,000.00
1000031600 1000031601	Gensigma LLC	$140,500.00
1000031603	IPSOFACTO IT Services	$-
1000031604	Meadow Design Inc.	$153,806.00
1000031605 1000031606	T&S Trading & Enterprise Co.	$202,838.78
1000031607	TeamWorks Consultancy LLC	$-
1000031608 1000031609 1000031610	Think Connected LLC	$391,735.84
1000031611	Toptek Micro Center Inc.	$272,671.89

1000031612		
1000031613	Two Rivers Corp	$-
1000031614 1000031615 1000031616	Xterra Solutions Inc.	$378,186.95
Total Micro-LBE PO Encumbrances as of 1/8/25:		**$3,726,877**

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 four contracts OCA is now seeking to amend:

Table 4: POs Awarded Through a Solicitation[1] as a Percentage of Overall PO Encumbrances as of January 8, 2025.

Supplier Name	Total Awarded PO Amounts ($)	Total Awarded PO Amounts ($) from a Solicitation	Total Awarded PO Amounts (%) from a Solicitation
Computerland	$11,144,146.83	$ 7,305,546.00	66%
Cornerstone Technology Partners II JV	$ 7,739,955.46	$ 7,678,513.00	99%
Insight Public Sector, Inc.	$ 9,956,955.00	$ 8,729,813.00	88%
Xtech JV	$15,612,501.00	$10,685,330.00	68%

Determining When to Amend a Technology Marketplace Contract

To ensure each contractor can fairly compete for each transaction for the full duration of its contract, OCA routinely monitors expenditures against each Technology Marketplace contract to determine when it will require an increase in contract value through its contract end date. Based on this analysis, and as further detailed in Table 5 below, OCA has determined that the below requested amendments are necessary to ensure adequate contract values for each contract identified through its contract end date of December 31, 2028:

(1) **Amendment 1** to Contract 1000033753 with ISSQUARED, Inc. dba Computerland of Silicon Valley to increase the contract not to exceed amount of $20 million by $41.065 million, for a total not-to-exceed (NTE) amount of $61.065 million;

[1] This amount is calculated based on all POs issued to the Standard Pool vendors in excess of $25,000, which is the current threshold above which an informal solicitation issued to all Standard Pool vendors is required.

(2) **Amendment 1** to Contract 1000031408 with Cornerstone Technology Partners II JV to increase the contract not to exceed amount of $20 million by $22.413 million, for a total not-to-exceed (NTE) amount of $42.413 million; and

(3) **Amendment 1** to Contract 1000031409 with Insight Public Sector, Inc. to increase the contract not to exceed amount of $20 million by $33.848 million, for a total not-to-exceed (NTE) amount of $53.848 million; and

(4) **Amendment 1** to Contract 1000031412 with Xtech JV (AIXTEK dba Eaton Associates | 21Tech LLC) to increase the contract not to exceed amount of $20 million by $65.014 million, for a total not-to-exceed (NTE) amount of $85.014 million.

OCA's calculation for this determination is provided below.

Table 5: Additional Contract Value Needed to Last Until Contract End Date + 15% Contingency.

Supplier Name	Contract ID	Contract Start Date	Contract End Date	Current Contract NTE	Balance ($) as of Jan 2025	Contract Expenditures to Date	Avg Monthly Expenditure to Date (12 months)	Amount needed through Contract End Date	15% Contingency	**Rounded Value of Amendment Increase**	**Revised NTE**
Computerland	1000033753	1/1/2024	12/31/2028	$20,000,000	$8,855,853	$11,144,146.83	$908,813	$43,409,111	$6,511,366.69	**$41,065,000**	**$61,065,000**
Cornerstone	1000031408	1/1/2024	12/31/2028	$20,000,000	$12,260,045	$7,739,955.46	$631,232	$30,150,546	$4,522,582.28	**$22,413,000**	**$42,413,000**
Insight	1000031409	1/1/2024	12/31/2028	$20,000,000	$10,043,045	$9,956,955.00	$799,051	$38,166,379	$5,724,956.92	**$33,848,000**	**$53,848,000**
Xtech	1000031412	1/1/2024	12/31/2028	$20,000,000	$4,387,499	$15,612,501.00	$1,263,462	$60,348,789	$9,052,318.35	**$65,014,000**	**$85,014,000**

Summary

The Technology Marketplace contracts are critical for meeting City departments' needs for technology goods and services. Approval of these four 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 628-652-1615.

Enclosures:

1. Original Agreement - Contract 1000031407 (CCT Technologies, Inc. dba ComputerLand of Silicon Valley)
2. Original Agreement - Contract 1000031408 (Cornerstone Technology Partners II JV)
3. Original Agreement - Contract 1000031409 (Insight Public Sector, Inc.)
4. Original Agreement - Contract 1000031412 (Xtech JV AIXTEK dba Eaton Associates | 21Tech LLC)
5. Novation Agreement - Contract ID 1000033753 (ISSQUARED, Inc. dba ComputerLand of Silicon Valley)

6. Proposed Amendment 1 - Contract 1000033753 (ISSQUARED, Inc. dba ComputerLand of Silicon Valley)
7. Proposed Amendment 1 - Contract 1000031408 (Cornerstone Technology Partners II JV)
8. Proposed Amendment 1 - Contract 1000031409 (Insight Public Sector, Inc.)
9. Proposed Amendment 1 - Contract 1000031412 (Xtech JV AIXTEK dba Eaton Associates | 21Tech LLC)
10. SFETH Form 126(f)4 - Contract 1000033753 (ISSQUARED, Inc. dba ComputerLand of Silicon Valley)
11. SFETH Form 126(f)4 - Contract 1000031408 (Cornerstone Technology Partners II JV)
12. SFETH Form 126(f)4 - Contract 1000031409 (Insight Public Sector, Inc.)
13. SFETH Form 126(f)4 - Contract 1000031412 (Xtech JV AIXTEK dba Eaton Associates | 21Tech LLC)
14. Resolution - Contract 1000033753 (ISSQUARED, Inc. dba ComputerLand of Silicon Valley)
15. Resolution - Contract 1000031408 (Cornerstone Technology Partners II JV)
16. Resolution - Contract 1000031409 (Insight Public Sector, Inc.)
17. Resolution - Contract 1000031412 (Xtech JV AIXTEK dba Eaton Associates | 21Tech LLC)