

Mayor and Council Communication

DATE: 01/14/20

M&C FILE NUMBER: M&C 20-0035

LOG NAME: 60CAROUSEL INDUSTRIES

SUBJECT

Authorize a Cooperative Purchase Agreement with Carousel Industries, Inc. in the Amount of \$180,000.00 for Hardware, Software, Maintenance and Support of the Water Department's Extreme Networks, and Professional Services Using the Texas Department of Information Resources Cooperative Contract Number DIR-TSO-4339 (ALL COUNCIL DISTRICTS)

RECOMMENDATION:

Authorize a cooperative purchase agreement with Carousel Industries, Inc. in the amount of \$180,000.00 for hardware, software, maintenance and support of the Water Department's Extreme Networks, and professional services using the Texas Department of Information Resources Cooperative contract number DIR-TSO-4339.

DISCUSSION:

The Water Department will use this agreement to purchase hardware, software, maintenance and support of its Extreme Networks components, such as switches and routers.

PRICE ANALYSIS

The prices were obtained using Texas Department of Information Resources (DIR) contract number DIR-TSO-4339. The DIR contract offers fixed discounts for these services. Water Information Technology staff has reviewed the pricing and determined it to be fair and reasonable.

COOPERATIVE PURCHASING - State law provides that a local government purchasing an item/service under a Cooperative Purchasing Agreement satisfies state laws requiring that the local government seek competitive bids for purchase of the item/service. DIR contracts have been competitively bid to increase and simplify the purchasing power of government entities. DIR is authorized to offer the cooperative purchasing program to state agencies, public institutions of higher learning, public school districts and local governments.

SUCCESSOR CONTRACTS - To facilitate planning and budgeting, Staff would prefer to have annual Agreements that align with the Fiscal Year. However, the DIR Agreement is out of alignment with the City's Fiscal Year and the current term DIR-TSO-4339 will expire on January 22, 2024. In order for the Agreement to align with the City's Fiscal Year, adoption of this Mayor and Council Communication (M&C) technically authorizes (i) a series of Purchase Agreements, each of which will align to a term of the DIR, Agreements to ensure legal authority exists for the contract, and (ii) an annual spend amount, future years of which would be subject to City Council appropriation. In the event that a Cooperative Agreement is not renewed, Staff would cease purchasing at the end of the last Purchase Agreement coinciding with the valid Cooperative Agreements. If the City Council were to not appropriate funds for a future year, Staff would stop making purchases when the last appropriation expires, regardless of whether the then-current Purchase Agreement has expired. The City will initially use DIR-TSO-4339 to make purchases authorized by this M&C. As noted, DIR-TSO-4339 expires January 22, 2024. If DIR-TSO-4339 is extended this M&C authorizes the City to purchase similar equipment and supplies under the extended contracts. If DIR-TSO-4339 is not extended but DIR executes new cooperative contracts with Carousel with substantially similar terms as DIR-TSO-4339, this M&C authorizes the City to purchase the equipment and supplies under the new DIR contract.

ADMINISTRATIVE CHANGE ORDER - An administrative change order or increase may be made by the City Manager in the amount up to \$45,000 and does not require specific City Council approval as long as sufficient funds have been appropriated.

M/WBE OFFICE - A waiver of the goal for MBE/SBE subcontracting will not be required due to this agreement being a Cooperative Purchasing Agreement. This satisfies the local government requirements.

AGREEMENT TERMS – Upon City Council approval, this agreement shall begin on September 1, 2019 and end on August 31, 2020. This agreement will have a one-year initial term with three one-year options for renewal.

RENEWAL OPTIONS - This Agreement may be renewed in accordance with the renewal options in DIR-TSO-4339. This action does not require specific City Council approval provided that the City Council has appropriated sufficient funds to satisfy the City's obligations during the renewal term.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are available in the current operating budget, as appropriated, of the Water & Sewer Fund. Prior to any expenditure being incurred, the Water Department has the responsibility to validate the availability of funds.

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