



## **CITY OF MENIFEE**

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SUBJECT: Purchase Orders with Saitech, Inc. and SHI International for Laptop, Desktop, and Monitor Replacements

MEETING DATE: December 17, 2024

TO: Mayor and City Council

PREPARED BY: Michelle Sarkissian, IT Manager,  
Ross Sublett, Management Analyst

REVIEWED BY: Ron Puccinelli, Chief Information Officer

APPROVED BY: Armando G. Villa, City Manager

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### **RECOMMENDED ACTION**

1. Approve and authorize the Finance Department to issue purchase order(s) for laptops, desktops, and monitors from Saitech, Inc. and SHI International in the aggregate and combined not-to-exceed amount of \$250,000, including any applicable sales or use tax, for Fiscal Year 2024/2025; and
2. Authorize the City Manager to issue purchase order(s) for the purchase of laptops, desktops, and monitors with Howard Technology Solutions, Saitech, Inc. and SHI, in an amount up to \$300,000 in aggregate per year, contingent on available and approved computer replacement budget, for Fiscal Years 2025/2026 and 2026/2027; and
3. Approve and authorize purchases utilizing cooperative purchasing (piggyback) agreements OMNIA 2018011-02, NCPA 01-170, and CMAS 3-24-03-1042 pursuant to Meniffee Municipal Code Section 3.12.070 (6); and
4. Authorize the City Manager or his designee to execute all necessary documents related to these purchases.

### **DISCUSSION**

In the delivery of municipal services, the City of Meniffee uses a variety of technology hardware equipment and software(s). Specific to standard hardware used by employees, is a combination of computer laptops, desktops and monitors, and in the case of Meniffee PD, Getac laptops, which provide mobility and hazard protection beyond typical computers. The City of Meniffee is committed to ensuring that its employees have access to modern and efficient technology to perform their duties effectively. As part of this commitment, the Information Technology (IT)

Department regularly assesses the state of the City's computing equipment and identifies when replacements are necessary to maintain optimal performance and security.

Within the current year's adopted budget, the IT department has included budget in the amount of \$300,000, earmarked for the on-going purchase of computer laptops, computer desktops, accessories and monitors. The purpose of these purchases is to both acquire new equipment for new personnel as these are brought on board, as well as in an organized and phased approach replace outdated equipment. Purchases for this equipment of approximately \$50,000 have been processed in Fiscal Year (FY) 2024/2025 for replacements in the current year under City Manager authority.

#### **Annual Computer Equipment Replacement Plan Approach:**

To ensure that the City's computer fleet remains operational and financially sustainable, the IT Department has developed a replacement plan to upgrade the outdated equipment within FY 2024/2025, and in future years. This plan involves replacing approximately 30% of the City's computing equipment annually to ensure that all technology remains under manufacturer support and fully functional. Based on the current workforce and assigned equipment, 30% replacement currently equates to approximately 85 units per year. As the agency's workforce size grows, so would the amount of equipment included within the replacement plan. In this approach the city addresses the following important components:

- *Storage and security of equipment.* Purchases will be completed on a quarterly basis, which provides an approach where the IT department manages the necessary inventory to maintain operations, but not excess inventory resulting in more storage needs.
- *Fiscal sustainability.* Provides a phased approach to spreading costs of replacements and purchases each year, instead of large one year costs every several years.
- Ensuring purchased equipment remains current, and not outdated.
- *Maintaining Performance:* Regular updates prevent performance degradation over time.
- *Ensuring Compatibility:* New software and updates often require more advanced hardware.
- *Enhancing Security:* Older equipment is more vulnerable to security threats.
- *Minimizing Downtime:* Replacing aging equipment reduces the risk of hardware failures and the associated downtime.

Using the replacement plan, each year the IT department would incorporate replacement costs as part of the respective year's budget process and purchases.

#### **Estimated Costs Annual Costs:**

Based on most recent purchases, the per unit current estimated costs of the computer laptop and/or desktop equipment is estimated as follows:

- **Laptops:** Approximately \$2,000 each
- **Desktops:** Approximately \$2,500 each
- **Monitors:** Approximately \$400 each

To maintain the 30% replacement per year cycle estimated annual costs for laptops, Getacs, desktops and accessories are estimated not-to-exceed \$300,000 per year. Actual purchases

would be managed based on need, with a focus on maximizing the life of all equipment to the best extent while replacing before equipment failure occurs.

The estimated costs are based on the minimum requirements of the City's equipment. In the management of such equipment the IT Department has established minimum equipment requirements to ensure compatibility, functionality and consistency across the agency. The laptops and desktops purchased reflect components (storage etc.) not necessarily readily available in larger quantities or purchase at local retails.

**Vendor Selection/Recommendation for Computer Equipment Purchases:**

To ensure the city receives the most competitive pricing on the purchase of computer equipment as well as streamline the on-going purchase of this equipment the IT Department and Finance Department completed the following process:

1. Identified available cooperative purchasing agreements for the purchase of such equipment.
2. Solicited informal quotes from various vendors with cooperative purchasing agreements for comparative pricing. The structure and pricing of cooperative purchasing agreements can vary, sought comparative pricing to secure the lowest available pricing of such equipment.

Cooperative purchasing agreements lets public agencies purchase goods and services through contracts already competitively solicited and awarded by a lead public entity. By participating in cooperative purchasing, organizations can save time and resources. It also allows them to access a wider range of products and services at potentially lower costs. The lead agency conducts the solicitation and bid/RFP process, sets the terms, and awards the contract to a supplier. Other agencies can also use the contract with competitive pricing and terms. Cooperative structures can vary, and thus their purchasing agreements may differ in several aspects such as: terms and conditions, contract offerings, access to documentation and fees and rebates. Understanding these variations helps agencies choose the cooperative that best meets their needs. Menifee Municipal Code Section 3.12.070 (6) allows for the purchase of supplies, equipment and non-professional services through cooperative purchasing agreements.

Competitive quotes were requested from ten prospective vendors with cooperating purchasing pricing through NASPO, OMNIA, and CMAS programs. The city received responses back from three vendors for Laptops, Getacs & Accessories and two responses back for Computer Monitors, Desktops and Accessories as summarized in Table 1 below and Table 2 on the following page.

**TABLE 1 - LAPTOPS, GETACS & ACCESSORIES**

Vendor Name	Lowest Pricing	Standard Equipment Availability	Cooperative Agreement Number
Howard Technology Solutions		5-7 Days (some items may be on backorder)	CA CMAS Contract 3-24-03-1042
Saitech, Inc.	X	15 Days	NCPA 01-170
SHI		4-6 Weeks	OMNIA 2018011-02

**TABLE 2 - COMPUTER MONITORS, DESKTOPS & ACCESSORIES**

Vendor Name	Lowest Pricing	Standard Equipment Availability	Cooperative Agreement Number
Howard Technology Solutions		5-7 Days	CA CMAS Contract 3-24-03-1042
SHI	X	4-6 Weeks	OMNIA 2018011-02

For the current year, FY 2024/2025, staff recommends issuing purchase orders (POs) to Saitech, Inc. and SHI in the amount of \$250,000 for the procurement of new laptops, desktops, and monitors. Saitech, Inc. would be used for the purchase of laptops, Getacs & accessories and SHI would be used for the purchase of computer monitors, desktops and accessories. Distribution of the \$250,000 would be based on needs, but initially it is estimated to be as follows: \$135,000 for Saitech, Inc. and \$115,000 for SHI. If during the year staff identifies larger equipment needs in one category (i.e., monitors versus laptops), IT staff would work with Finance to process change orders accordingly. Overall, POs issued, including change orders applied, would not exceed \$250,000 combined. The replacement process would be carried out in phases to minimize disruption to City operations. The two vendors have been selected due to their competitive pricing and acceptable standard equipment availability.

**FY 2025/2026 and FY 2026/2027 Purchases:**

Part of the challenges faced when ordering laptops, computers and accessories is equipment availability. To streamline the ordering process, staff is requesting authority for the City Manager to issue POs for the FY 2025/2026 and FY 2026/2027 laptop, computers, monitors and related accessories purchases. Under the existing municipal code, all purchases of goods over \$50,000 require Council approval, therefore staff is requesting authorization for the City Manager to approve these purchases up to \$300,000 per year for the next two years. At the beginning of each fiscal year, staff would request updated pricing quotes from Howard Technology Solutions, Saitech, Inc. and SHI to determine the most competitive cooperative purchasing pricing available. Updated quotes would capture any applicable manufacturer's base pricing. Corresponding POs would be processed to the vendors and equipment ordered as needed throughout the year.

**STRATEGIC PLAN OBJECTIVE**

Regular City Business

**FISCAL IMPACT**

The current fiscal impact for this item is a combined amount not-to-exceed \$250,000. Funding for the proposed purchases is available within the adopted FY 2024/2025 budget for the IT department under capital outlays for Machine & Equipment (1110-ITD-660010). Future years replacements would be incorporated as part of the respective year's budget. Authorization under this staff report is set to be up to \$300,000 per year contingent on the available and approved computer replacement budget.

**ATTACHMENTS**

1. Saitech Inc – NCPA Quote
2. Saitech Inc NCPA 01-170 Agreement
3. SHI – OMNIA Quote
4. SHI OMNIA 2018011-02
5. Howard Technology Solutions – CMAS Quote
6. Howard Technology Solutions CA CMAS Contract 3-24-03-1042