



# City of Olathe

## COUNCIL AGENDA ITEM

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**MEETING DATE:** 4/21/2020

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**DEPARTMENT:** Resource Management

**STAFF CONTACT:** Mike Sirna/Amy Tharnish

**SUBJECT:** Consideration of renewal of contract with Dell Marketing L.P. for computer equipment.

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**ITEM DESCRIPTION:**

Consideration of renewal of contract with Dell Marketing L.P. for computer equipment.

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**SUMMARY:**

In 2014, the Council approved a cooperative contract with Dell Marketing, L.P. through the State of Kansas. The State of Kansas contract utilizes a national cooperative contract, Western States Contracting Alliance (WSCA), for the purchase of computer equipment.

Dell Marketing L.P. has extended its contract through the State of Kansas (contract # 40400) until July 31, 2021. The contract has a continued discount of 30% - 40% off retail or list prices. Staff recommends renewal of this contract through July 31, 2021.

City computer purchases are managed by the City's Information Technology Department. Typical replacement schedule for devices reaching end of useful life is approximately (4) four years. Replacement of equipment that has reached the end of its useful life is made from the computer replacement fund, which is replenished annually by the lease fees charged back to each department or division. Servers and other infrastructure equipment are also purchased under this contract. Expenditures for 2019 were approximately \$642,000. During 2019, staff reviewed the average useful life of the computers and determined that the useful life is averaging four years and therefore could shift the replacement schedule to four years from the previous three years in order to manage equipment costs. The estimated annual expenditures for 2020 is approximately \$500,000.

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**FINANCIAL IMPACT:**

Estimated annual expenditures for 2020 are \$500,000. Computer purchases are funded through the computer replacement fund. Infrastructure equipment is funded in the Information Technology Department's budget and the Computer Replacement Fund.

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**ACTION NEEDED:**

Renewal of contract with Dell Marketing L.P. for computer equipment through July 31, 2021.

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**ATTACHMENT(S):**

None

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