



**CITY COUNCIL
COMMUNICATION:**

ITEM _____

02-374

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

AGENDA:

JULY 8, 2002

SYNOPSIS -

SUBJECT:

SEAT
MANAGEMENT
PILOT PROGRAM

Public Technologies, Inc. (Dr. Costis Toregas, President, Washington, DC) has requested that Des Moines become the pilot jurisdiction for a "Seat Management" program that PTI wishes to make available to local governments throughout the United States. Seat Management is a method of acquiring desktop computer systems and software, along with certain support services, from an external entity. The systems and services are provided for a monthly rate "per seat", or work position.

TYPE:

The City is an active member of PTI, which is the research, development and commercialization arm of National League of Cities (NLC), International City/County Management Association (ICMA), and National Association of Counties (NACO).

RESOLUTION
ORDINANCE
RECEIVE/FILE

FISCAL IMPACT -

Up to \$400,000 from the IT FY2002/2003 operating budget.

SUBMITTED BY:

MICHAEL
ARMSTRONG
CHIEF
INFORMATION
OFFICER

RECOMMENDATION -

Approval.

BACKGROUND -

Seat Management is an innovative method for acquiring and managing desktop computer technology and software. Seat Management involves leasing computers and software and acquiring a number of support services from an external source. Payment is generally a monthly or annual flat rate for the use of the equipment, software and services. At the end of the contract period, the equipment can be replaced and the relationship continued, or the equipment and software acquired and the contractual relationship ended.

Seat Management has enjoyed some success at the Federal and State

levels. Local governments have been slower to adopt this method of acquisition. PTI has asked Des Moines to serve as the pilot jurisdiction for a national program that will accelerate the adoption of this model by other local governments. Part of the program envisions anchor jurisdictions (such as Des Moines) making the contract available to other cities and counties in a region, thereby aggregating the requirements of a number of jurisdictions to the benefit of all.

Participation in this program will provide a number of benefits to the City:

1. We can begin a rational and affordable technology replacement program.
2. Our desktop technology acquisition costs become predictable.
3. We will be afforded some measure of protection from an uncertain marketplace.
4. We can improve the service Information Technology (IT) provides to its users.
5. We can reduce the amount of IT staff time spent on low-value tasks associated with desktop system acquisition, maintenance and disposal. As the program progresses, we can reallocate staff resources to more productive and valuable support tasks.

The contract, as proposed, will provide a desktop computer with current technical capabilities, operating system, office suite software, license management, asset management, installation, moves and changes, deskside repair and end-of-life disposal. Initial cost per seat will be \$74.42 a month. As the program is evaluated, we may wish to add or delete services depending on the value they provide. The contract provides for annual evaluation, but as a pilot project, we will evaluate on a quarterly basis for the first year. The contract provides "buy-out" provisions that would allow us to retain the equipment and software if it were determined that the relationship with PTI/EER should be terminated.

PTI's service provider, EER Systems, Inc., will subcontract with a local firm to perform all physical tasks. This will result in more dollars returning to the local economy than would be the case if we continued to perform all support tasks in-house. IT staff will continue to provide first-call help desk services.

The amount to be expended under this contract is undetermined at this time. A cost figure will be determined as part of the analysis process and the resulting structure of the project, but will in no case exceed the funds available.

The Council may exempt this contract from competitive bidding in accordance with the City's Purchasing Ordinance, Section 2-725 (g). This project is a pilot for an organization which the City supports. As a pilot, many factors are undefined, and the project cannot reasonably be subjected to competitive procedures. The City Manager has determined that this project should be exempted from competition, and the Purchasing Agent agrees that competitive acquisition is not appropriate in this case.

The City's participation as the pilot jurisdiction for this program would be consistent with the support it has provided for PTI, ICMA and NLC. It would allow us to design a system that fully meets the City's needs and would provide a number of advantages to us in supporting a complex environment.
