

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: INFORMATION TECHNOLOGY

AGENDA DATE: JUNE 2, 2009

CONTACT PERSON/PHONE: GERALD GORDIER (915) 541-4288
TERRENCE FREIBURG, PURCHASING MANAGER, 541-4313

DISTRICT(S) AFFECTED: ALL

SUBJECT:

Request that the Purchasing Manager, Financial Services, Purchasing Division, be authorized to issue Purchase Order to INX, Inc., a State Department of Information Resources (DIR) Contractor under DIR State Contract DIR-SDD-239, in an amount not to exceed \$257,246.92 for Networking Equipment products for Phase I of the fiber ring deployment. Participation by the City of El Paso in the DIR Program was approved by Mayor and Council on March 6, 2007.

BACKGROUND / DISCUSSION:

The purchase of this hardware is part of the Information Technology Department's plan to implement Phase I of a Fiber Ring to connect City sites to a fiber based network. The locations where this equipment will be located include: City Hall, Fire Headquarters, Police Headquarters, Police Westside Regional Command, 5-Points Transit Terminal, Airport, and Northwest Municipal Service Center. This purchase allows the IT Department to provide more reliability, speed, and increased bandwidth for the connectivity going to major City sites by installing switching/routine equipment to connect the fiber to internal building wiring.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

YES

AMOUNT AND SOURCE OF FUNDING:

Total: \$257,246.92

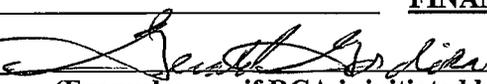
Funding is available in the Storm 2006 Certificates of Obligation Account: 14200500-27264-508016-PSTM06-PW542.

BOARD / COMMISSION ACTION: Enter appropriate comments or N/A

NA/

*****REQUIRED AUTHORIZATION*****

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD: 
(Example: if RCA is initiated by Purchasing, client department should sign also)
Information copy to appropriate Deputy City Manager

APPROVED FOR AGENDA:

CITY MANAGER: _____

DATE: _____

PURCHASING DEPARTMENT

DATE: May 22, 2009

TO: Municipal Clerk

FROM: Terrence Freiburg

Purchasing Manager

Procurement Analyst

Please place the following item on the Consent Agenda for the Council Meeting of June 2, 2009.

Item should read as follows: Request that the Purchasing Manager, Financial Services be authorized to issue a purchase order to INX Inc., the State Department of Information Resources (DIR) contractor, under the DIR State Contract DIR-SDD-239, for \$257,246.92 for network equipment products for the Phase I of the fiber ring deployment.

Participation by the City of El Paso in the DIR Program was approved by Mayor and City Council on February 27, 2007.

Award amount is \$257,246.92

Funds available in: 14200500 - 508016 - 27264 - PSTM06-PW542

Fund Source: Contractual Architect & Design Equipment - Storm
2006-Fiber Optic Link to City Hall - CO FY08

Department: Information Technology

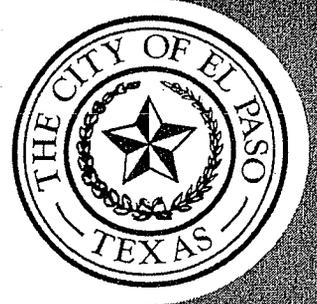
SPECIAL INSTRUCTIONS:

Municipal Clerk's Use

ITEM NO. _____

Dedicated to Outstanding Customer Service for a Better Community

SERVICE SOLUTIONS SUCCESS



To: Terrence Freiburg, Purchasing Manager
Ed Hyatt, Administrative Analyst

From: Gary Gordier, CIO & Director of I.T.


Authorized Signature

Date: May 18, 2009

Re: Texas Department of Information Resources, Contract DIR-SDD-239

The Information Technology Department recommends purchasing this network hardware. The purpose of this hardware purchase is to improve the City's network capabilities to satisfy Department requirements. Also, this hardware will provide increased reliability, speed, and additional bandwidth to included sites.

1. *Is there an urgent need for the product/service? In other words, is time of the essence?*

Yes. These are core components necessary for the IT department to provide enhanced network connectivity to support City Departments. This will facilitate the optimized use of our high speed network to produce enhanced connectivity and reliability.

2. *Does the purchase through the Program promote the standardization of equipment?*

Yes. The City has found that Cisco and APC networking components provide high quality with a good quality price point as well.

3. *Does the purchase through the Program support local business? If not, is there a comparable product/service available locally?*

Yes, local business is supported. INX is a national company which has a local presence in El Paso for a number of years.

4. *Do the available vendors have prior work experience and/or familiarity with the City?*

Yes. INX has long been a vendor we've used for technology and support.

5. *Is the pricing reasonable as compared to other similar products/work performed for the City of El Paso in the past or as quoted from other companies?*

Yes. This pricing quoted is below DIR negotiated pricing.

The participation by the City of El Paso in the Texas Department of Information Resources was approved by Mayor and City Council on February 27, 2007. The standard factors used to determine the use of a Cooperative Purchasing program were approved by City Council on June 24, 2008.

Mayor
John F. Cook

City Council

District 1
Ann Morgan Lilly

District 2
Susannah M. Byrd

District 3
Emma Acosta

District 4
Melina Castro

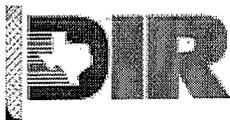
District 5
Rachel Quintana

District 6
Eddie Holguin Jr.

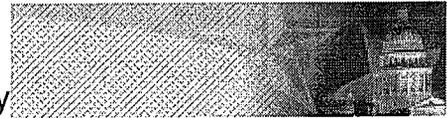
District 7
Steve Ortega

District 8
Beto O'Rourke

City Manager
Joyce A. Wilson



State of Texas
Department of Information Resources
Leadership for Texas Government Technology



[DIR Home](#) | [Store](#) | [Document Library](#) | [Education & Training](#) | [DIR Overview](#) | [Site Ma](#)

DIR Store - Products and Services

- * [Buyer Alerts](#)
- * [Overview](#)
- * [Go DIRect Program](#)
- * [Customer Eligibility](#)
- * [Customer FAQs](#)
- * [Vendor FAQs](#)

Related Information

- * [Contracting and Procurement Services Division](#)
- * [Current Contracting Initiatives](#)

Search DIR

Enter text here

Search

[Advanced Search](#)

Go **DIR**ect

for Lease or Purchase of Cisco Networking Equipment

INX Inc., Vendor ID 176-051-5249-906, offers Cisco networking equipment to Texas governmental entities at discounted prices through DIR's [Go DIRect Program](#). Less than 10% HUB credit available.

- [How to Order](#)
- [Contract Information](#)
- [Contacts](#)

How to Order

- For product and pricing information and a quote form, visit the [INX website](#).
- Generate a purchase order, payable to **INX Inc.** for the entire amount.
Note: You must reference contract number **DIR-SDD-239** on your purchase order.
- Fax the purchase order and quote form to INX Inc. at 512-795 8844.

Or send to:

INX Inc.

Attn: Brent Blaha
Building B, Suite 120
7600 Capital of Texas Highway
Austin, Texas 78731

Contract Information

To view PDF files, use the free [Adobe Acrobat Reader](#).

[DIR-SDD-239](#), Contract expires 05/10/2010 (34 KB)
[Appendix A](#), Standard Terms and Conditions (167 KB)
[Appendix B](#), Subcontracting Plan (75 KB) Updated 07/23/2008
[Appendix C](#), Product and Pricing Index (16 KB)
[Appendix D](#), Master Lease Agreement (97 KB)
[Amendment 1](#) (18 KB)

[Amendment 2 \(62 KB\)](#)

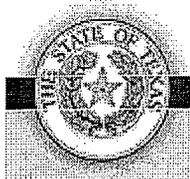
Contacts

INX Product Contact

Brent Blaha
Phone: 512-795-7106 (direct)

DIR Contract Contact

[Lisa Maldonado](#)
Phone: 512-463-5662



Department of Information Resources

300 West 15th St., Suite 1300
Austin, TX 78701 ([Map & Directions](#))
1-512-475-4700

[Privacy & Security Pc](#)
[Accessibility](#) | [Open Records Pc](#)
[Link Policy](#) | [Compact with Tex](#)
[DIR Contacts](#) | dirinfo@dir.state.t

Last updated May 1, 2009

STATE OF TEXAS
DEPARTMENT OF INFORMATION RESOURCES
CONTRACT FOR PRODUCTS AND RELATED SERVICES
INX INC.

1. Introduction

A. Parties

This Contract for products and related services is entered into between the State of Texas, acting by and through the Department of Information Resources (hereinafter "DIR") with its principal place of business at 300 West 15th Street, Suite 1300, Austin, Texas 78701, and INX Inc. (hereinafter "Vendor"), with its principal place of business at 1955 Lakeway Drive, Suite 220, Lewisville, Texas 75057.

B. Compliance with Procurement Laws

This Contract is the result of compliance with applicable procurement laws of the State of Texas. DIR issued a solicitation on the Texas Building and Procurement Commission's Electronic State Business Daily, Request for Offer (RFO) DIR-SDD-TMP-064, on July 21, 2005, for Data Networking/Telephone System Equipment & Services. DIR acknowledges the merger of InterNetwork Experts with I-Sector Corporation, and the name of the contracting firm has been changed to INX Inc. Upon execution of this Contract, a notice of award for RFO DIR-SDD-TMP-064 shall be posted by DIR on the Electronic State Business Daily

C. Order of Precedence

This Contract; Appendix A, Standard Terms and Conditions For Products and Related Services Contracts; Appendix B, Vendor's Historically Underutilized Businesses Subcontracting Plan; Appendix C, Product and Pricing Index; Exhibit 1, Vendor's Response to RFO DIR-SDD-TMP-064, including all addenda; and Exhibit 2, RFO DIR-SDD-TMP-064, including all addenda; are incorporated by reference and constitute the entire agreement between DIR and Vendor. In the event of a conflict between the documents listed in this paragraph, the controlling document shall be this Contract, then Appendix A, then Appendix B, then Appendix C, then Exhibit 1, and finally Exhibit 2. In the event and to the extent any provisions contained in multiple documents address the same or substantially the same subject matter but do not actually conflict, the more recent provisions shall be deemed to have superseded earlier provisions.

2. Term of Contract

The term of this Contract shall be three (3) years commencing on the last date of approval by DIR and Vendor. Prior to expiration of the original term, DIR and Vendor may extend the Contract, upon mutual agreement, for up to one (1) optional one-year term.

3. Product and Service Offerings

A. Products

Products available under this Contract are limited to Cisco brands. Vendor may incorporate changes to their product offering; however, any changes must be within the scope of products awarded based on the posting described in Section 1.B above.

B. Services

Services available under this Contract are limited to Cisco SmartNet Service, Maintenance, Installation and Training. Vendor may incorporate changes to their service offering; however, any changes must be within the scope of services awarded based on the posting described in Section 1.B above.

4. Pricing

A. Manufacturer's Suggested Retail Price (MSRP)

MSRP is defined as the product sales price suggested by the manufacturer of a product.

B. Customer Discount

The minimum Customer discount for all products and services will be the percentages off MSRP as specified in Appendix C Products and Pricing Index.

C. Customer Price

1) The price to the Customer shall be calculated as follows:

$$\text{Customer Price} = \text{MSRP} - \text{Customer Discount}$$

2) Customers purchasing products and services under this Contract may negotiate more advantageous pricing or participate in special promotional offers. In such event, a copy of such better offerings shall be furnished to DIR upon request. Vendor agrees it shall offer and make available this DIR Contract as first choice for all sales of Products and Services identified in Section 3. above to eligible Texas DIR Customers during its term.

3) If pricing for products or services available under this Contract is provided at a lower price based on a quantity of one unit to: (i) an eligible Customer who is not purchasing those products or services under this Contract or (ii) any other entity or consortia authorized by Texas law to sell said products and services to eligible Customers, then the available Customer Price in this Contract shall be adjusted to that lower price. This Contract shall be amended within ten (10) business days to reflect the lower price.

D. DIR Administrative Fee

The administrative fee specified in Section 5 below shall not be broken out as a separate line item when pricing or invoice is provided to Customer.

E. Shipping and Handling Fees

The price to the Customer under this Contract shall include all shipping and handling fees. Shipments will be Free On Board Customer's destination. No additional fees shall be charged to the Customer for standard shipping and handling. If the Customer requests expedited delivery, Customer will be responsible for any charges for expedited delivery.

F. Tax-Exempt

As per Section 151.309, Texas Tax Code, Customers under this Contract are exempt from the assessment of State sales, use and excise taxes. Further, Customers under this Contract are exempt from Federal Excise Taxes, 26 United States Code Sections 4253(i) and (j).

G. Travel Expense Reimbursement

Pricing for services provided under this Contract are exclusive of any travel expenses that may be incurred in the performance of those services. Travel expense reimbursement may include personal vehicle mileage or commercial coach transportation, hotel accommodations, parking and meals; provided, however, the amount of reimbursement by Customers shall not exceed the amounts authorized by the current State Travel Regulations. Travel time may not be included as part of the amounts payable by Customer for any services rendered under this Contract. The DIR administrative fee specified in Section 5 below is not applicable to travel expense reimbursement. Anticipated travel expenses must be pre-approved in writing by Customer.

H. Changes to Prices

Vendor may change the price of any product or service at any time, based upon changes to the MSRP, but discount levels shall remain consistent with the discount levels specified in this Contract. Price decreases shall take effect automatically during the term of this Contract and shall be passed onto the Customer immediately.

5. DIR Administrative Fee

A) The administrative fee to be paid by the Vendor to DIR based on the dollar value of all sales to Customers pursuant to this Contract is one percent (1%). Payment will be calculated for all sales, net of returns and credits. For example, the administrative fee for sales totaling \$100,000 shall be \$1,000.

B) All prices quoted to Customers shall include the administrative fee. DIR reserves the right to change this fee upwards or downwards during the term of this Contract, upon written notice to Vendor. Any change in the administrative fee shall be incorporated in the price to the Customer.

C) For potential Erate business where Vendor has previously responded to a posted Form 470 competitive opportunity, any such posted Form 470 opportunity responded to by Vendor prior to the execution date of this Contract will not be subject to the terms of the Contract.

6. Notification

All notices under this Contract shall be sent to a party at the respective address indicated below.

If sent to the State:

Sherri Parks, Service Delivery Division
Department of Information Resources
300 W. 15th St., Suite 1300
Austin, Texas 78701
Phone: (512) 475-4700
Facsimile: (512) 475-4759
Email: sherri.parks@dir.state.tx.us

If sent to the Vendor:

Brent Blaha
INX Inc.
7600 N. Capitol of Texas Highway
Building B, Suite 120
Austin, TX 78731
Phone: (512) 795-8811, Ext. 2009
Facsimile: (512) 794-8844
Email: brent.blaha@inxi.com

7. Authorized Exceptions to Appendix A, Standard Terms and Conditions for Product and Related Services Contracts.

A. **Appendix A, Section 3. Definitions** is hereby amended to add subsections H. and I to read as follows:

H. Texas-based DIR Customer – any Texas state agency, unit of local government, or institution of higher education located in the State of Texas that purchases products under this Contract.

I. Non Texas-based DIR Customer – any state agency, unit of local government, or institution of higher education of another state located outside the State of Texas that purchases products under this Contract.

B. **Appendix A, Section 6. Contract Fulfillment and Promotion** is hereby amended to add subsection L to read as follows:

L. Cisco Special Trade-in Process

If any Products purchased pursuant to the Contract by a Texas-based DIR customer displace any Cisco equipment or Cisco competitor equipment, the Vendor must ensure that the Texas-based customer returns such displaced equipment pursuant to Cisco's Special Trade-in Process (STRP) at <http://www.cisco-returns.com/strp/>.

C. **Appendix A, Section 6. Contract Fulfillment and Promotion** is hereby amended to add subsection M to read as follows:

M. Erate Discount Bundles

Vendor shall promptly notify DIR when Cisco changes its Erate bundle discounts and to cooperate in executing an amendment to incorporate the then-current Erate Bundle discount.

D. **Appendix A** is hereby amended to add Section 13. Leasing Provision to read as follows:

13. Leasing Provision

The parties to this Contract may agree to provisions that allow leasing of Cisco brand products as identified in Section 3 Product and Service Offerings of the Contract in addition to purchase sales.

INX, Inc.

**The State of Texas, acting by and through the
Department of Information Resources**

Authorized By: Signature on File

Authorized By: Signature on File

Name: Paul Klotz

Name: **Brian S. Rawson**

Title: Vice President

Title: **Director of Service Delivery**

Date: 5-4-06

Date: 5/10/06

Legal: Signature on File