TO:             HONORABLE CITY COUNCIL

FROM:         CITY MANAGER               DEPARTMENT: ADMINISTRATIVE SERVICES

DATE:        MAY 17, 2004                CMR:257:04

SUBJECT: AGREEMENTS BETWEEN THE CITY OF PALO ALTO AND THE CITY OF ALAMEDA IN THE AMOUNT OF $48,500 AND THE CITY OF EMERYVILLE IN THE AMOUNT OF $95,500 FOR INFORMATION TECHNOLOGY SERVICES

RECOMMENDATION
Staff recommends that Council:

1. Approve and authorize the Mayor to execute the attached agreements to provide information technology (IT) services to the City of Alameda in the amount of $48,500 and to the City of Emeryville in the amount of $95,500.

2. Authorize the City Manager or his designee to negotiate and execute one or more change orders to the agreements with the cities of Alameda and Emeryville in an amount not to exceed $150,000.

3. Authorize the City Manager or his designee to extend the agreements for up to two additional years in an amount not to exceed $150,000.

BACKGROUND
In July 2001, the Information Technology Division of the Administrative Services Department started the Information Technology Service Provider (ITSP) program. The program was created to establish partnerships with municipal governments for the provision of information technology services.

In 2001, Council approved contracts between the City of Palo Alto and the cities of East Palo Alto and Los Altos for IT services which included onsite support, IT strategic planning, and web design and maintenance. In 2002, Council approved new multi-year contracts with East Palo Alto and Los Altos as well as new contracts with the cities of Los Altos Hills and Atherton. Through authority granted by the Council, these contracts
were extended through fiscal year 2003-04. It is anticipated that these contracts will be extended through fiscal year 2004-05.

At the start of the ITSP program staff expected that additional cities would be interested in IT services. In late 2003, staff initiated discussions with the City of Alameda and the City of Emeryville for the provision of IT services.

**DISCUSSION**
The proposed agreement for $48,500 with the City of Alameda is for delivery of IT strategic planning and IT disaster planning services. These services will culminate with the delivery of an IT strategic plan document and an IT disaster plan document.

The proposed agreement with the City of Emeryville is for a two-year period, renewable annually, for the provision of services including help desk, system maintenance, onsite technical assistance and project management services. The proposed agreement is in the amount of $95,500 in the first year and $89,500 in the second year. The contract will allow for additional services to be purchased at an hourly rate as necessary.

**RESOURCE IMPACT**
Funds and staffing for these agreements are available in the City of Palo Alto 2003-04 External Services Adopted Budget. The projected cost to support the agreements will be fully offset by the revenues received from the contract cities.

**POLICY IMPLICATIONS**
Approval of the agreements is consistent with existing City policies.

**ENVIRONMENTAL REVIEW**
This is not a project under the California Environmental Quality Act.

**ATTACHMENTS**
Attachment A: Agreement for Information Technology Services between the City of Palo Alto and the City of Alameda
Attachment B: Agreement for Information Technology Services between the City of Palo Alto and the City of Emeryville
PREPARED BY: ________________________________
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DEPARTMENT APPROVAL: ________________________________
CARL YEATS
Director, Administrative Services

CITY MANAGER APPROVAL: ________________________________
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