TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER DEPARTMENT: ADMINISTRATIVE SERVICES

DATE: JUNE 20, 2005 CMR: 289:05

SUBJECT: AGREEMENTS BETWEEN THE CITY OF PALO ALTO AND THE CITIES OF EAST PALO ALTO AND LOS ALTOS 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 East Palo Alto and the City of Los Altos.

2. Authorize the City Manager or his designee to negotiate and execute amendments to the agreements with the cities of East Palo Alto and Los Altos to provide additional services provided the agreement continues to comply with all requirements of Policy and Procedure 1-41 (except the revenue amount).

3. Authorize the City Manager or his designee to extend the agreements for up to two additional years provided each agreement continues to comply with all requirements of Policy and Procedure 1-41 (except the revenue amount).

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 local governments for the provision of information technology services.

In June 2001 (CMR:287:01), Council approved contracts between the City of Palo Alto and the cities of East Palo Alto and Los Altos for IT services which included on-site support, IT strategic planning, and web design and maintenance and authorize the City Manager to renew them for up to two more years. The term for each contract ends on July 1, 2005. Due to the success of these contracts, each city is interested in continuing to receive IT services from the City of Palo Alto ITSP program.
DISCUSSION
Staff recommends entering into agreements to provide IT services to the cities of East Palo Alto and Los Altos. The proposed agreements with the City of East Palo Alto and the City of Los Altos are for a one-year term with the option to renew each year for up to two years.

The agreement with the City of East Palo Alto provides IT consulting services and Web services, to be billed on an hourly basis. IT help desk and on-site support services are provided to the City of East Palo Alto at an annual charge of $188,000.

The agreement with the City of Los Altos provides IT help desk and on-site support services at an annual cost of $148,000. In addition, the contract provides for maintenance of the City of Los Altos website, to be billed on an hourly basis.

RESOURCE IMPACT
Funds and staffing for these agreements are available in the City of Palo Alto 2005-06 External Services Proposed 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.

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CARL YEATS
Director, Administrative Services

CITY MANAGER APPROVAL: ______________________________________________
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ATTACHMENTS
Attachment A: Agreement for Information Technology Services between the City of Palo Alto and the City of East Palo Alto
Attachment B: Agreement for Information Technology Services between the City of Palo Alto and the City of Los Altos