TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER DEPARTMENT: ADMINISTRATIVE SERVICES
DATE: AUGUST 8, 2005 CMR: 348:05
SUBJECT: AGREEMENT BETWEEN THE CITY OF PALO ALTO AND THE CITY OF EMERYVILLE FOR INFORMATION TECHNOLOGY SERVICES

RECOMMENDATION
Staff recommends that Council:

1. Approve and authorize the Mayor to execute the attached agreement to provide information technology (IT) services to the City of Emeryville.

2. Authorize the City Manager or his designee to negotiate and execute amendments to the agreement with the City of Emeryville 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 agreement for up to two additional years provided the 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 May 2004 (CMR:257:04), Council approved a contract between the City of Palo Alto and the City of Emeryville for IT services including onsite support, IT strategic planning, and IT management.

The term for the contract ends on July 1, 2005. Due to the success of the contract, the City of Emeryville is interested in continuing to receive IT services from the City of Palo Alto ITSP program.
**DISCUSSION**
Staff recommends entering into an agreement to provide IT services to the City of Emeryville. The proposed agreement is for a one-year term with the option to renew each year for up to two years. The agreement provides onsite support, IT strategic planning, and IT management at an annual charge of $147,000.

**RESOURCE IMPACT**
Funds and staffing for this agreement are available in the City of Palo Alto’s 2005-06 External Services Adopted Budget. The projected cost to support the agreement will be fully offset by the revenues received from the contract cities.

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

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

PREPARED BY:  
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DEPARTMENT APPROVAL:  
CARL YEATS  
Director, Administrative Services

CITY MANAGER APPROVAL:  
EMILY HARRISON  
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**ATTACHMENTS**
Attachment A: Agreement for Information Technology Services between the City of Palo Alto and the City of Emeryville