TO:   HONORABLE CITY COUNCIL

FROM:   CITY MANAGER   DEPARTMENT: ADMINISTRATIVE SERVICES

DATE:   SEPTEMBER 9, 2002   CMR: 377:02

SUBJECT: AGREEMENT BETWEEN THE CITY OF PALO ALTO AND THE TOWN OF ATHERTON 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 town of Atherton.

2. Authorize the City Manager or his designee to negotiate and execute one or more change orders to the agreements with the town of Atherton.

3. Authorize the City Manager or his designee to extend the agreements for up to two additional years.

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, including onsite support, IT strategic planning, and web design and maintenance. In June 2002 (CMR:276:02), Council approved new multi-year contracts with East Palo Alto and Los Altos as well as a new contract with Los Altos Hills.

At the start of the ITSP program staff expected that additional cities would be interested in IT services. During the spring of 2002, staff initiated discussions with the town of
Atherton for the provision of IT services after it expressed interest in the City of Palo Alto’s IT services.

**DISCUSSION**
Staff recommends entering into an agreement to provide IT services to the town of Atherton. The proposed agreement with the town of Atherton is for an initial nine-month period with the option to renew in July 2003. The agreement with the Town of Atherton provides IT help desk support, onsite support, and website maintenance in the annual amount of $30,400.

**RESOURCE IMPACT**
Funds and staffing for this agreement are available in the City of Palo Alto 2002-03 External Services Adopted Budget. The projected cost to support the agreements will be fully offset by the revenues received from the contract cities. Contract revenue also helps to maintain a positive fund balance in the External Services enterprise fund to support the sustainability of the program. Supplemental IT staffing may be hired upon initiation of the agreements and will be eliminated through attrition upon completion of the agreement.

**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 Town of Atherton

PREPARED BY: DAVID RAMBERG
IT Manager, External Services

DEPARTMENT APPROVAL: CARL YEATS
Director, Administrative Services

CITY MANAGER APPROVAL: EMILY HARRISON
Assistant City Manager