



Office of the City Manager

RECESS ITEM
CONSENT CALENDAR
 September 29, 2026

To: Honorable Mayor and Members of the City Council

From: Paul Buddenhagen, City Manager

Submitted by: Kevin Fong, Director, Information Technology

Subject: Increase spending authority to create purchase orders against Contract No. 31900270: Dell Computers, Inc. for continued hardware, software, and related services.

RECOMMENDATION

Adopt a Resolution ratifying the action taken by the City Manager during recess to increase spending authority for purchase orders to Contract No. 31900270 with Dell Computers, Inc. for the purchase of hardware, software, and related services utilizing the County of Riverside Agreement 8084445, for an additional \$2,900,000 for a total not-to-exceed amount of \$11,097,733 for the period of November 1, 2019, through October 31, 2027.

NEGATIVE EFFECT IF ACTION IS DELAYED UNTIL AFTER COUNCIL RECESS

Delaying approval of the Microsoft Enterprise Agreement (EA) license renewal until after the City Council recess would create significant operational and financial risks. The license payment was due back in April, leaving the City five months past the deadline. This delay occurred because of negotiations with Dell to consolidate licenses and reduce redundancies. While this process pushed the timeline past the start of recess, it successfully resulted in a revised contract that saved the City \$500,000.

While Dell has maintained the City's services in good faith during negotiations, the City cannot wait until Council reconvenes. Approving the agreement during Council recess is required to secure licensing and the favorable pricing. Postponing this item further would likely result in a lapse in licensing coverage, disrupt access to essential services (including productivity, collaboration, security, and business applications), limit technical support, and expose the City to increased cybersecurity and compliance risks.

SUMMARY

The City Manager recommends ratifying an increase in spending authority for Dell Computers, Inc. under Contract No. 31900270, raising the total contract value to \$11,097,733 through October 31, 2027. This action ensures the \$500,000 in savings achieved through recent license consolidation negotiations with Dell for continued procurement of essential hardware, software, and services for citywide operations at

competitive prices, prevents operational and financial risks from delayed approval, supports environmental sustainability, and aligns with the City's strategic goals for reliable infrastructure and efficient service delivery.

FISCAL IMPACTS OF RECOMMENDATION

Council authority is requested for continued hardware and software purchases from Dell Computers, Inc. under County of Riverside Agreement 8084445, a competitively bid cooperative purchasing agreement, to support citywide enterprise computing equipment (PC's, laptops, servers, storage, network equipment, software, etc.).

Recent negotiations with Dell successfully consolidated licenses and reduced redundancies, securing \$500,000 in contract savings for the City. Funding is available through a combination of the Department of Information Technology's Fiscal Year FY 2027 and FY 2028 IT Cost Allocation Fund (Fund 680) and various City Departments funds on an as-procured basis, as City Departments fund their cost for procured equipment.

CURRENT SITUATION AND ITS EFFECTS

Effective January 1, 2026, local agencies are required to satisfy noticing requirements for certain contracts for services that meet the criteria outlined in Government Code Section 3504.1 as amended by AB 339. This project does not meet the criteria in Government Code Section 3504.1 and is exempt from the noticing requirement.

The City of Berkeley participates in a competitively bid cooperative pricing agreement negotiated by the County of Riverside (Agreement No. 8084445) with Dell Marketing L.P. to obtain hardware, software, and related services. This agreement provides the City of Berkeley with standardized hardware and software at competitive prices and facilitates consistent infrastructure and computing experience, as well as efficient troubleshooting and quick turnaround times for equipment replacement.

This agreement aligns with the City's strategic priority to provide "state-of-the-art, well-maintained infrastructure, amenities, and facilities".

BACKGROUND

Beginning in July 2019, the City leveraged cooperative "piggyback" pricing established through WSCA-NASPO (a purchasing cooperative arm of NASPO formed by state directors to aggregate purchasing power and secure volume discounts). Under this arrangement, the City was invoiced and processed payments directly through annual Purchase Orders rather than maintaining a formal, stand-alone contract.

When the WSCA-NASPO cooperative agreement officially terminated on July 31, 2023, the City transitioned to a cooperative agreement through the City of Riverside, which offered similar terms and pricing rates. Through this agreement, the City continued to fulfill its software and licensing needs through 2025.

To maintain uninterrupted service, this item requests approval for a 1-year extension of the City of Riverside agreement, covering November 2026 through October 2027.

For financial context, payments issued under these cooperative piggyback arrangements from 2019 through 2025 totaled \$8,197,733 (an average annual expenditure of approximately \$1,366,289). The total cost for the proposed November 2026 – October 2027 term is \$2,900,000.

This increase accounts for a combination of current annual dues in the amount of \$1,340,876 for the current year due in April 2027 and accumulated back dues in the amount of \$1,165,980 due in April 2026. Furthermore, the requested amount includes an anticipated buffer of \$393,144 to cover potential licensing increases—specifically driven by non-IT city staff purchasing computers independently that require new software licenses, as well as the addition of emerging AI licensing requirements.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

The technology equipment purchased from Dell Technologies is energy efficient and meets the standards required by law. The purchase and subsequent disposal of equipment is done responsibly using e-waste vendors and community non-profit agencies that provide technology equipment back into local communities to address the digital divide.

Additionally, keeping the City's inventory routinely updated allows the City to purchase the most energy efficient hardware to meet the City's goal of reducing energy consumption and maintaining an environmentally sound information technology infrastructure.

RATIONALE FOR RECOMMENDATION

Using competitively bid, cooperative purchasing agreements allows the City to gain greater efficiencies and economies of scale. The County of Riverside Agreement 8084445 is used by multiple cities and counties in the State of California including the State itself.

Dell continues to provide excellent hardware and software to support the City's enterprise computing needs, including network infrastructure, servers, and desktop computers. Dell also continues to provide exemplary customer service and response times that contribute to overall employee productivity and address the cybersecurity requirements of the City. Taking action during Council recess secures \$500,000 in negotiated savings and resolves a five-month past-due license status, preventing any interruption in service.

ALTERNATIVE ACTIONS CONSIDERED

Staff considered issuing a specific bid for the City of Berkeley's computer hardware and software requirements, but at this time, doing so would not yield better pricing than that which is currently established through the County of Riverside Agreement 8084445.

Dell Computer's Inc.

CONSENT CALENDAR
September 29, 2026

CONTACT PERSON

Kevin Fong, Director, Information Technology Department 510-981-6541

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

DELL COMPUTERS, INC.: USING COUNTY OF
RIVERSIDE AGREEMENT 8084445 FOR HARDWARE AND SOFTWARE
PURCHASES

WHEREAS, the City of Berkeley relies upon a technically sound and efficient computer network; and

WHEREAS, by purchasing from competitively bid, cooperative purchasing agreements such as County of Riverside Agreement 8084445, enables the City of Berkeley to take advantage of pre-negotiated prices, economies of scale, and increased efficiencies; and

WHEREAS, this contract is exempt from the noticing requirements set forth in Government Code Section 3504.1; and

WHEREAS, hardware and software for various City-wide enterprise and infrastructure projects is purchased from Dell Computers, Inc. and maximizes the value of the City's investment by adopting a citywide standard for equipment, such as PC's, laptops and servers; and

WHEREAS, negotiations to consolidate licenses yielded \$500,000 in contract savings, pushing approval past the licensing deadline into Council recess; and

WHEREAS, Dell Computers, Inc. continues to offer the best overall value, reliable hardware, and excellent customer service since 1994; and

WHEREAS, from 2019 through 2025, total payments issued under cooperative piggyback arrangements totaled \$8,197,733, representing an average annual expenditure of approximately \$1,366,289; and

WHEREAS, the total projected cost for the proposed term of November 2026 through October 2027 is \$2,900,000, reflecting current annual dues of \$1,340,876 due in April 2027, accumulated back dues of \$1,165,980 due in April 2026, and a \$393,144 buffer to accommodate potential software licensing increases—including independent computer purchases by non-IT staff and emerging AI licensing requirements; and

WHEREAS, enterprise funding is provided by Department of Information Technology's Fiscal Year (FY) 2027 and FY 2028 IT Cost Allocation Fund (Fund 680) and various City department funds on an as-procured basis, as City departments fund their cost for procured equipment.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the Council ratifies the action taken by the City Manager to increase spending authority for purchase orders for computer hardware, software, and related services from Dell Computer, Inc., utilizing pricing from the County of Riverside Agreement 8084445 and contract no. 31900270 by an additional amount of \$2,900,000 for a total not to exceed value of \$11,097,733 for the period commencing on November 1, 2019 and through October 31, 2027.