

AGENDA



Thursday, April 24, 2008

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 44**

Subject: Authorize award and execution of a 60-month installment purchase contract through the State of Texas Department of Information Resources (DIR) Austin, TX, with CALENCE LLC, Tempe, AZ, for the lease of network hardware and services in an amount not to exceed \$777,724.

Amount and Source of Funding: Funding in the amount of \$90,735 is available in Fiscal Year 2007-2008 Operating Budget of the Aviation Department. Funding for the remaining 53 months of the contract period is contingent upon available funding in future budgets.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Mario Guerrero, Sr. Buyer 974.2596

Purchasing Language: Cooperative Installment Purchase.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). This contract is a cooperative purchase; therefore, it is exempted under Chapter 791 of the Texas Government Code and no goals were established for this solicitation.

Boards and Commission Action: Recommended by the Austin Airport Advisory Commission.

This contract is for an installment purchase agreement of Cisco equipment at Austin Bergstrom International Airport (ABIA). This contract will also include Cisco SMARTNET maintenance services for the term of the agreement. The networking equipment and services will be purchased through installment payments from Calence LLC and subsequently assigned to Key Government Finance Corporation, Inc.

The current equipment was installed in 2003. These products have been either declared as end of sale, or end of life equipment or both by Cisco. End of Sale is the last date the product will be sold. End of Life is defined as "Once obsolete, the product is not sold, manufactured, improved, repaired, maintained or supported."

This agreement allows ABIA to replace, upgrade, and customize network equipment while leveraging the existing budget. The leasing program as compared to a standard purchase will enable ABIA to spread the cost of the equipment over multiple years. The upgrade will also ensure ABIA will continue to meet the increased technology needs required by the airlines and other ABIA tenants for future voice and data services.

Calence LLC is under contract with DIR to supply this equipment and services statewide as a result of a competitive bidding process that provides for volume discount pricing. This cooperative purchasing program was established for local government agencies to make use of their collective purchasing power and is authorized under the provisions of the Interlocal Cooperation Act, Chapter 791, Texas Government Code.