

AN ORDINANCE 2008-06-12-0517

AUTHORIZING A CONTRACT WITH INX, INC., UTILIZING THE TEXAS DEPARTMENT OF INFORMATION RESOURCES (DIR) CONTRACT DIR-SDD-239, FOR THE PURCHASE OF INFRASTRUCTURE NETWORK EQUIPMENT FOR THE TRAFFIC SIGNAL SYSTEM MODERNIZATION (TSSM) PROJECT, AT AN ESTIMATED COST OF \$9,061,000.00.

* * * * *

WHEREAS, the City's Traffic Signal System Modernization (TSSM) Project is a traffic signal improvement project that consists of developing and implementing a comprehensive communications network, upgrading of existing traffic signal system including software and controller hardware, and developing optimal timing plans for approximately 1,200 traffic signals; and

WHEREAS, the success of the TSSM project is dependent on a modernized and advanced communication network that will include fiber optics and wireless equipment; and

WHEREAS, it is necessary to procure network equipment, software and maintenance for the TSSM project, which are available through INX, Inc., using the State of Texas Department of Information Resources contract DIR-SDD-239, **NOW THEREFORE**;

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The offer of INX, Inc., under the State of Texas Department of Information Resources contract DIR-SDD-239, in the amount of \$9,061,000.00 to provide the City of San Antonio with infrastructure networking equipment, is hereby approved. A copy of the Texas Department of Information Resources Contract with INX, Inc., and the bid tabulation are attached hereto and incorporated herein as Attachment 1.

SECTION 2. A contract has been awarded to INX, Inc., in the amount of \$9,061,000.00 for the the Traffic Signal System Modernization (TSSM) Project from previously appropriated funding on ordinance No. 2008-03-20-0209, dated March 20, 2008.

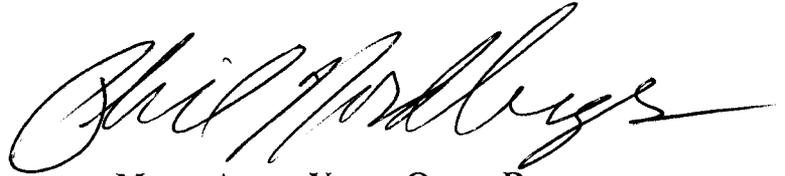
SECTION 3. The amount of \$9,061,000.00 is appropriated in SAP Fund 43099000, Certificates of Obligation Captial Projects, SAP Project Definition 23-01085, Traffic System

Modernization/Synchronization, SAP WBS Element 23-01085-05-02-01, entitled City Construction, SAP GL account 5202020, and is authorized to be encumbered and made payable to INX, Inc, for the purchase of infrastructure network equipment.

SECTION 4. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager, or the City Manager's designee, correct allocation to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 5. This Ordinance shall be effective on the tenth day after passage.

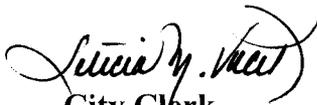
PASSED AND APPROVED this 12th day of June, 2008.



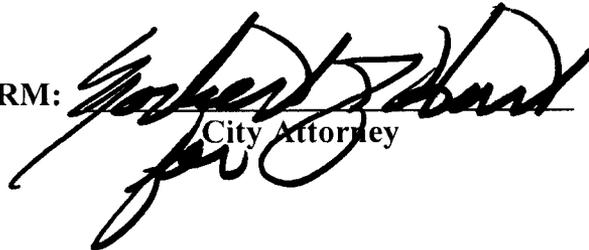
M A Y O R

PHIL HARDBERGER

ATTEST:


City Clerk

APPROVED AS TO FORM:


City Attorney



Request for
**COUNCIL
ACTION**

City of San Antonio



Agenda Voting Results - 11

Name:	11
Date:	06/12/2008
Time:	10:48:42 AM
Vote Type:	Motion to Approve
Description:	An Ordinance authorizing a contract with INX, Inc., utilizing the Texas Department of Information Resources (DIR) Contract DIR-SDD-239, for the purchase of infrastructure network equipment for the Traffic Signal System Modernization (TSSM) Project, at an estimated cost of \$9,061,000.00. [Sharon De La Garza, Assistant City Manager; Janie Cantu, Director, Purchasing & Contract Services]
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Phil Hardberger	Mayor		x				
Mary Alice P. Cisneros	District 1		x				
Sheila D. McNeil	District 2		x				
Jennifer V. Ramos	District 3		x				
Philip A. Cortez	District 4		x				
Lourdes Galvan	District 5		x				
Delicia Herrera	District 6		x				
Justin Rodriguez	District 7		x			x	
Diane G. Cibrian	District 8		x				x
Louis E. Rowe	District 9		x				
John G. Clamp	District 10		x				

**STATE OF TEXAS
DEPARTMENT OF INFORMATION RESOURCES
CONTRACT FOR PRODUCTS AND RELATED SERVICES
INX INC.**

1. Introduction

A. Parties

This Contract for products and related services is entered into between the State of Texas, acting by and through the Department of Information Resources (hereinafter "DIR") with its principal place of business at 300 West 15th Street, Suite 1300, Austin, Texas 78701, and INX Inc. (hereinafter "Vendor"), with its principal place of business at 1955 Lakeway Drive, Suite 220, Lewisville, Texas 75057.

B. Compliance with Procurement Laws

This Contract is the result of compliance with applicable procurement laws of the State of Texas. DIR issued a solicitation on the Texas Building and Procurement Commission's Electronic State Business Daily, Request for Offer (RFO) DIR-SDD-TMP-064, on July 21, 2005, for Data Networking/Telephone System Equipment & Services. DIR acknowledges the merger of InterNetwork Experts with I-Sector Corporation, and the name of the contracting firm has been changed to INX Inc. Upon execution of this Contract, a notice of award for RFO DIR-SDD-TMP-064 shall be posted by DIR on the Electronic State Business Daily

C. Order of Precedence

This Contract; Appendix A, Standard Terms and Conditions For Products and Related Services Contracts; Appendix B, Vendor's Historically Underutilized Businesses Subcontracting Plan; Appendix C, Product and Pricing Index; Exhibit 1, Vendor's Response to RFO DIR-SDD-TMP-064, including all addenda; and Exhibit 2, RFO DIR-SDD-TMP-064, including all addenda; are incorporated by reference and constitute the entire agreement between DIR and Vendor. In the event of a conflict between the documents listed in this paragraph, the controlling document shall be this Contract, then Appendix A, then Appendix B, then Appendix C, then Exhibit 1, and finally Exhibit 2. In the event and to the extent any provisions contained in multiple documents address the same or substantially the same subject matter but do not actually conflict, the more recent provisions shall be deemed to have superseded earlier provisions.

2. Term of Contract

The term of this Contract shall be three (3) years commencing on the last date of approval by DIR and Vendor. Prior to expiration of the original term, DIR and Vendor may extend the Contract, upon mutual agreement, for up to one (1) optional one-year term.

3. Product and Service Offerings

A. Products

Products available under this Contract are limited to Cisco brands. Vendor may incorporate changes to their product offering; however, any changes must be within the scope of products awarded based on the posting described in Section 1.B above.

B. Services

Services available under this Contract are limited to Cisco SmartNet Service, Maintenance, Installation and Training. Vendor may incorporate changes to their service offering; however, any changes must be within the scope of services awarded based on the posting described in Section 1.B above.

4. Pricing

A. Manufacturer's Suggested Retail Price (MSRP)

MSRP is defined as the product sales price suggested by the manufacturer of a product.

B. Customer Discount

The minimum Customer discount for all products and services will be the percentages off MSRP as specified in Appendix C Products and Pricing Index.

C. Customer Price

1) The price to the Customer shall be calculated as follows:

$$\text{Customer Price} = \text{MSRP} - \text{Customer Discount}$$

2) Customers purchasing products and services under this Contract may negotiate more advantageous pricing or participate in special promotional offers. In such event, a copy of such better offerings shall be furnished to DIR upon request. Vendor agrees it shall offer and make available this DIR Contract as first choice for all sales of Products and Services identified in Section 3. above to eligible Texas DIR Customers during its term.

3) If pricing for products or services available under this Contract is provided at a lower price based on a quantity of one unit to: (i) an eligible Customer who is not purchasing those products or services under this Contract or (ii) any other entity or consortia authorized by Texas law to sell said products and services to eligible Customers, then the available Customer Price in this Contract shall be adjusted to that lower price. This Contract shall be amended within ten (10) business days to reflect the lower price.

D. DIR Administrative Fee

The administrative fee specified in Section 5 below shall not be broken out as a separate line item when pricing or invoice is provided to Customer.

E. Shipping and Handling Fees

The price to the Customer under this Contract shall include all shipping and handling fees. Shipments will be Free On Board Customer's destination. No additional fees shall be charged to the Customer for standard shipping and handling. If the Customer requests expedited delivery, Customer will be responsible for any charges for expedited delivery.

F. Tax-Exempt

As per Section 151.309, Texas Tax Code, Customers under this Contract are exempt from the assessment of State sales, use and excise taxes. Further, Customers under this Contract are exempt from Federal Excise Taxes, 26 United States Code Sections 4253(i) and (j).

G. Travel Expense Reimbursement

Pricing for services provided under this Contract are exclusive of any travel expenses that may be incurred in the performance of those services. Travel expense reimbursement may include personal vehicle mileage or commercial coach transportation, hotel accommodations, parking and meals; provided, however, the amount of reimbursement by Customers shall not exceed the amounts authorized by the current State Travel Regulations. Travel time may not be included as part of the amounts payable by Customer for any services rendered under this Contract. The DIR administrative fee specified in Section 5 below is not applicable to travel expense reimbursement. Anticipated travel expenses must be pre-approved in writing by Customer.

H. Changes to Prices

Vendor may change the price of any product or service at any time, based upon changes to the MSRP, but discount levels shall remain consistent with the discount levels specified in this Contract. Price decreases shall take effect automatically during the term of this Contract and shall be passed onto the Customer immediately.

5. DIR Administrative Fee

A) The administrative fee to be paid by the Vendor to DIR based on the dollar value of all sales to Customers pursuant to this Contract is one percent (1%). Payment will be calculated for all sales, net of returns and credits. For example, the administrative fee for sales totaling \$100,000 shall be \$1,000.

B) All prices quoted to Customers shall include the administrative fee. DIR reserves the right to change this fee upwards or downwards during the term of this Contract, upon written notice to Vendor. Any change in the administrative fee shall be incorporated in the price to the Customer.

C) For potential Erate business where Vendor has previously responded to a posted Form 470 competitive opportunity, any such posted Form 470 opportunity responded to by Vendor prior to the execution date of this Contract will not be subject to the terms of the Contract.

6. Notification

All notices under this Contract shall be sent to a party at the respective address indicated below.

If sent to the State:

Sherri Parks, Service Delivery Division
Department of Information Resources
300 W. 15th St., Suite 1300
Austin, Texas 78701
Phone: (512) 475-4700
Facsimile: (512) 475-4759
Email: sherri.parks@dir.state.tx.us

If sent to the Vendor:

Brent Blaha
INX Inc.
7600 N. Capitol of Texas Highway
Building B, Suite 120
Austin, TX 78731
Phone: (512) 795-8811, Ext. 2009
Facsimile: (512) 794-8844
Email: brent.blaha@inxi.com

7. Authorized Exceptions to Appendix A, Standard Terms and Conditions for Product and Related Services Contracts.

A. **Appendix A, Section 3. Definitions** is hereby amended to add subsections H. and I to read as follows:

H. Texas-based DIR Customer – any Texas state agency, unit of local government, or institution of higher education located in the State of Texas that purchases products under this Contract.

I. Non Texas-based DIR Customer – any state agency, unit of local government, or institution of higher education of another state located outside the State of Texas that purchases products under this Contract.

B. **Appendix A, Section 6. Contract Fulfillment and Promotion** is hereby amended to add subsection L to read as follows:

L. Cisco Special Trade-in Process

If any Products purchased pursuant to the Contract by a Texas-based DIR customer displace any Cisco equipment or Cisco competitor equipment, the Vendor must ensure that the Texas-based customer returns such displaced equipment pursuant to Cisco's Special Trade-in Process (STRP) at <http://www.cisco-returns.com/strp/>.

C. **Appendix A, Section 6. Contract Fulfillment and Promotion** is hereby amended to add subsection M to read as follows:

M. Erate Discount Bundles

Vendor shall promptly notify DIR when Cisco changes its Erate bundle discounts and to cooperate in executing an amendment to incorporate the then-current Erate Bundle discount.

D. **Appendix A** is hereby amended to add Section 13. Leasing Provision to read as follows:

13. Leasing Provision

The parties to this Contract may agree to provisions that allow leasing of Cisco brand products as identified in Section 3 Product and Service Offerings of the Contract in addition to purchase sales.

INX, Inc.

**The State of Texas, acting by and through the
Department of Information Resources**

Authorized By: Signature on File

Authorized By: Signature on File

Name: Paul Klotz

Name: **Brian S. Rawson**

Title: Vice President

Title: **Director of Service Delivery**

Date: 5-4-06

Date: 5/10/06

Legal: Signature on File

City of San Antonio Bid Tabulation

Opened: May 15, 2008 For: Annual Contract for Infrastructure Network Equipment for Traffic Signal System Modernization (TSSM) A1338-08		DIR INX, Inc. 1955 Lakeway Drive, Suite 220 Lewisville, TX 75057 512-795-7117
	WF	
Item	Description	
A	Equipment & Software	
	Percent of Discount Offered	44%
	Price Schedule Identification	Cisco Global US Price List
	Type of Price Schedule	Manufacturer
	Date of Price Schedule	Current Posted Pricing
	Price Schedule Column on which Discount is based	Suggested Retail
1	Networking Hardware	\$7,990,666.75
2	Network Software	\$342,641.75
	Total Equipment & Software	\$8,333,308.50
B	Services	
	Percent of Discount Offered	20%
	Price Schedule Identification	Cisco Global US Price List
	Type of Price Schedule	Manufacturer
	Date of Price Schedule	Current Posted Pricing
	Price Schedule Column on which Discount is based	Suggested Retail
1	Network Maintenance	\$727,280.00
	Total Services	\$727,280.00
Total Contract		\$9,060,588.50



CITY OF SAN ANTONIO
Request for Council Action

Agenda Item # 11
Council Meeting Date: 6/12/2008
RFCA Tracking No: R-3416

DEPARTMENT: Purchasing & Contract Services **DEPARTMENT HEAD:** Janie Cantu

COUNCIL DISTRICT(S) IMPACTED:
City Wide

SUBJECT:
Infrastructure Network Equipment for Traffic Signal System Modernization Project

SUMMARY:

This ordinance authorizes a contract with INX, Inc., utilizing the Texas Department of Information Resources (DIR) Contract DIR-SDD-239. This will provide the Information Technology Services and Public Works Departments with the purchase of infrastructure network equipment for an estimated cost of \$9,061,000.00.

BACKGROUND INFORMATION:

On March 20, 2008 City Council approved Ordinance 2008-03-20-0209 which authorized the appropriation of \$23,960,000.00 in Certificates of Obligation funds and \$5,920,528.00 in the Advanced Transportation District (ATD) funds for the Traffic Signal System Modernization (TSSM) Project. The TSSM project is a traffic signal improvement project that consists of developing and implementing a comprehensive communications network, upgrading of existing traffic signal system including software and controller hardware, and developing optimal timing plans for approximately 1,200 signals. On June 21, 2007 the City authorized Information Technology Services Department (ITSD) to work with CPS-Energy to build an advanced network in support of this project.

An integral component of the communications network is the network equipment at the traffic controllers. The type of network equipment included in this contract has been tested and successfully deployed in the proof of concept area in the downtown traffic corridors. This contract allows for the purchase of the equipment necessary to continue the communications network as initiated in the proof of concept. The TSSM project commenced on October 1, 2007 and is expected to be completed by September 30, 2012.

This purchase is made in accordance with the State cooperative program passed on Resolution No. 91-39-53 dated 9/12/1991.

ISSUE:

The success of the TSSM project is dependent on a modernized and advanced communication network that will include fiber optics and wireless equipment. A contract is needed for ITSD to procure network equipment, software and maintenance for the TSSM project.

ALTERNATIVES:

If this contract is not approved, it would negatively impact the timely completion of the Traffic Signal System Modernization Project.

FISCAL IMPACT:

Funds in the amount of \$9,061,000.00 are available from the Certificates of Obligation Funds previously appropriated by City Council on March 20, 2008 through Ordinance 2008-03-20-0209.

RECOMMENDATION:

Staff recommends approval of this ordinance with INX, Inc., in the amount of \$9,061,000.00, which will ensure the successful completion of the TSSM Project.

ATTACHMENT(S):

File Description	File Name
Contract	Contract.pdf
Fiscal Impact Sheet	Fiscal Impact Sheet.pdf
Bid Tab	Bid Tab.pdf
Voting Results	
Ordinance/Supplemental Documents	200806120517.pdf

DEPARTMENT HEAD AUTHORIZATIONS:

Janie Cantu Director Purchasing & Contract Services

APPROVED FOR COUNCIL CONSIDERATION:

Sharon De La Garza Assistant City Manager