



COUNTY OF LOS ANGELES

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To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: Jon W. Fullinwider
Chief Information Officer

Subject: **\$20 MILLION IN DIRECT SAVINGS - CONSOLIDATED PC PURCHASE PROGRAM**

The Chief Information Office (CIO) and the Internal Services Department (ISD) recently completed the second Consolidated PC Purchase Program. The first attempt to purchase PC's under a consolidated purchase program was conducted last year and resulted in five (5) participating departments representing approximately 2,100 PC devices. At the completion of the program, the County achieved a direct savings of \$1,500,000 over and above pricing that had been previously negotiated and agreed to by the County's agreement vendors.

Based on the success of the initial program and the resultant savings, steps were taken to further improve the program contemplating that we would proceed with a second consolidated purchase program this fiscal year.

Beginning in February 2007, a committee comprised of seven (7) departments was formed to develop technical/configuration specifications for desktop PC's, laptop PC's and tablet PC's, along with a multitude of service options. All County departments were surveyed to determine their plans for acquiring PC devices. This resulted in over 16,000 devices identified for purchase within a six-month period. As with the first consolidated procurement, a Request for Quotation (RFQ) was developed, representing the technical specifications identified and issued to all responsible vendors.

While the County is not committed to purchasing 16,000+ PC devices, the pricing from the winning responders to the RFQ resulted in a 45% to 50% reduction over what the County would have paid under the current contracts with its agreement vendors. It is with this in mind that I am proud to share with you that the Consolidated PC Purchase Program recently completed will result in over \$14 million in direct savings to the County of Los Angeles. This savings has already allowed some departments to acquire more PC's than initially planned directed at improving the use of technology within their department, while other departments were able to achieve business objectives through technology that they thought they could not achieve for several years based on limitations in funding.

The program is already seeing requisitions for PC devices that will far exceed the 16,000 devices identified and, when combined with the significant reductions in prices for support services will likely result in direct savings exceeding \$20,000,000.

Given the clear success of this program, my office and ISD are requesting the Board to adopt the Consolidated PC Purchase Program and direct the CIO and ISD to formalize the program as the standard business practice for acquiring all County/departmental PC devices. The program would be conducted twice a year (every six months) and unless there was an extreme emergency, all departmental PC devices would be acquired under the Consolidated PC Purchase Program. Additionally, it would be the intent of the program to begin standardizing on specific hardware/software configurations that would lead to a common set of configurations for desktop devices, laptop devices and tablet devices. This action to standardize on a set of common device configurations will allow for better management of PC assets, ensuring they are maintained at the proper software level for security and operational integrity. Note - this does not imply that the County would standardize on a common PC equipment vendor.

In closing, I want to thank all departments that participated in developing the technical requirements and RFQ - as well as those departments that saw value and willingly participated in the program. Lastly, I want to thank my staff and ISD Contracting for their insight, commitment and creativity in making this program an absolute success!

JWF:ygd

c: Department Heads
IT Board Deputies
Information Systems Commission