

**DEPARTMENT OF GENERAL SERVICES - SUPPLY SERVICES DIVISION
PURCHASING AWARD APPROVAL**

Date: 05/23/2018

Procurement Analyst: Jeff Chan Phone No.: (213) 928-9595

RAB No.: 180000930066 Requisition No.: 180000800130

Description: Apple Products

Annual Contract One-Time Purchase Order Contract w/Labor*** - see below
ARC # _____ OPO _____ ARC # _____

Awarded to: Zones, Inc. Vendor No.: 38423

Address: 13915 Cerritos Corporate Drive, Suite A Cerritos CA 90703
Street City State Zip Code

Contact Person: Imran Yunus Telephone No.: (253) 545-7015

E-Mail Address: Imran.Yunus@zones.com

*Est. (Annual) Amount: \$ 918,838.63 Threshold Limit: \$ _____ or **Controller's Max Limit: \$ _____
*For awards with an estimated annual amount >\$100K, City Attorney Approval is required - see below.

**For line item contracts: Controller's Max Limit shall be two (2) times the Estimated Award Amount times the number of renewals.

No. of awards from RFQ: _____ Item #'s on This Award: _____

Department Recommendation Attached "Price Catalog" Contract: Yes No

Reason For Award:

- | | |
|--|---|
| 1. <input checked="" type="checkbox"/> Lowest Bidder and Complying with Specifications | 9. _____ Lowest Bidder Due to Application of Local Business Preference > \$150K |
| 2. _____ Lowest Bidder Complying with Specifications | 9a. Amount of Price Preference: \$ _____ |
| 3. _____ Lowest bidder as a Whole | 10. _____ Lowest Bidder due to Application of Small Local Business Preference |
| 4. _____ Only Bidder and Complying with Specifications | 10a. Amount of "SLB" Price Preference \$ _____ |
| 5. _____ Only Complete Bidder | 11. _____ Cooperative Purchase Arrangement |
| 6. _____ Sole Source/ Negotiated Award (see Comments) | |
| 7. _____ One of _____ Equally Low Bidders | |
| 8. _____ Lowest Bidder Due to More Favorable Cash Discount Terms | |

_____ FOB Destination _____ FOB Origin: _____

Comments: Please see attached memo/recommendation.

Bidder Protest Submitted: Yes No If yes, attach explanation and related documents.

<u>Requirements:</u>	<u>Approval:</u>	<u>Conflict Of Interest? (Y/N):</u>
<input checked="" type="checkbox"/> Conflict of Interest Certification	<u>JP</u> Procurement Supervisor	<u>NO</u> 5-24-18
<input checked="" type="checkbox"/> ND/EEP/AA Responsibility Acknowledgement	<u>JAL</u> Supply Services Manager I	<u>no</u> 5/25/18
_____ Insurance Required - Exp. Date ____/____/____	<u>ADJ</u> Supply Services Manager II	<u>NO</u> 05/25/2018
_____ Bond Required		
_____ BIP Required		
<input checked="" type="checkbox"/> BIP Encouraged		
_____ Recycled Contents Required		
_____ Recycled Contents Preferred		
_____ Prevailing Wage Required		
_____ Living Wage Ordinance Required		
<input checked="" type="checkbox"/> Equal Benefits Ordinance Required		
<input checked="" type="checkbox"/> Contractor Responsibility Ordinance Required		
<input checked="" type="checkbox"/> Sweat Free Procurement/Code of Conduct		
<input checked="" type="checkbox"/> SDO Affidavit		
<input checked="" type="checkbox"/> Municipal Lobbying Ordinance Certification		
_____ Federal Grant Fund Certifications		
_____ First Source Hiring Ordinance		

***CITY ATTORNEY APPROVAL**
Authorization to sign Contracts, PO's and RFQ's for the City of Los Angeles is on file in the Office of the City Purchasing Agent. Please, contact the Procurement Analyst listed above with questions and when completed.
Approved By: _____ Date: 6/14/18
For the Deputy City Attorney

***For Contracts with Labor, GO TO PAGE TWO

CITY OF LOS ANGELES
INTRA-DEPARTMENTAL CORRESPONDENCE

DATE: May 24, 2018

TO: Kitty Pai 
GSD, Procurement Supervisor

FROM: Jeff Chan
GSD, Procurement Analyst

SUBJECT: Recommendations based on Reverse Auction Bid – RAB 180000930066

Throughout the last year GSD's Supply Services section has been receiving requests for Apple products. In order to accommodate City end users and to expedite the purchasing process, it is highly recommended to have an annual contract in place. Since LAFD has been one of the high users on Apple products, they submitted a request in FMS to facilitate the bidding process.

The Reverse Auction Bid opportunity (180000930066) opened on May 4th, 2018 and closed on May 16th, 2018. We received six responses and all were deemed eligible to participate in the reverse auction event. The six qualified responding bidders were Zones Inc., Insight, NLESystems Inc., Unitek, GC Micro/Northrup Grumman and Golden Star Technology, Inc.

The eReverse Auction was held on May 23rd, 2018 at 9:00 AM and lasted 23 minutes. While there is no previous contract price to base the total amount of savings off of, there is a MSRP provided by Apple that represents government pricing that can be used to quantify the total amount of savings. The MSRP total comes to \$995,789.00 while Zones, Inc. submitted the lowest overall bid of \$918,838.63 resulting in a total of \$76,950.37 or 7.73% savings. Apple typically does not provide discounts to its contractors or resellers. Therefore a 7.73% savings is considered significant.

Furthermore, Apple currently has an active contract with the state of Minnesota National Association of State Procurement Officials (NASPO) that provides a maximum 3% discount with the exception of tablets which do not have any discount. In addition, the largest discount was placed on AppleCare Warranties (28%) which could potentially save the City thousands of dollars in repairs.

Zones is the lowest on 10 of 26 items and provided the deepest discounts on the higher priced/quantified commodities. The difference on split award is \$1,773.75 which does not justify the time and administrative work.

Based on the reasons stated above, I recommend awarding this annual requirements contract to Zones, Inc. being the lowest overall bid and providing the most savings for the City.

City of Los Angeles, California
Request for Quotation
Signature Page

1. COMPLETE CONTRACT

This entire RFQ or any item(s) thereof, shall become the contract upon its acceptance by the Purchasing Agent on behalf of the City of Los Angeles. The complete contract shall consist of The Notice of Award, The Notice Inviting quotes, the entire RFQ (including specifications) and Attachment A, or any item(s) thereof, this Signature Page, addenda, and when required, INSURANCE AND BOND(S). A Notice of Award will be furnished to the successful bidder identifying the item(s) to be furnished under this contract.

2. GOODS AND SERVICES TO BE PROVIDED BY THE SUPPLIER

The Supplier agrees, upon acceptance of this offer by the City, to furnish the goods and services herein specified according to the terms and conditions as set forth herein.

3. AMOUNT TO BE PAID

The City agrees to pay the Supplier for the goods or services in the manner described in the paragraph entitled "PAYMENTS" in Attachment A.

4. CHOICE OF ALTERNATIVE PROVISIONS; OPTIONS; NOTIFICATIONS

When alternative provisions are requested, or options are offered, the Supplier will be notified as to which provision, or option, is being accepted at the same time that the Supplier is notified that it is the successful bidder.

5. DECLARATION OF NON-COLLUSION

The undersigned certifies (or declares) under penalty of perjury that this RFQ is genuine and not a sham or collusive, or made in the interest or on behalf of any person, firm, or corporation not herein named; that the bidder has not directly or indirectly induced or solicited any bidder to put up a sham bid, or any other person, firm, or corporation to refrain from bidding, and that the bidder has not in any manner sought by collusion to secure to itself any advantage over other bidders.

EXECUTED AT: Cerritos CA WA ON THE 15th DAY OF May, 20 18
(Supplier Complete) City State Month

Firm Name: Zones, Inc. Phone: 310-766-0124

Address: 13915 Cerritos Corporate Drive, Suite A Cerritos CA 90703
Street City State Zip

Jon Bailey  Director, Business and Legal Affairs
Print Name Sign Name Title

For contracts expected to exceed \$90,000 (including taxes, shipping, handling, and any other fees or charges), the Supplier must complete the bottom section of this page in addition to the section above. (Both signatures must conform to the signature methods below.)



Ronald McFadden 
Print Name Sign Name
CFO & SVP, Finance
Title

Approved Corporate Signature Methods

- a) Two signatures: One by Chairman of Board of Directors, President, or Vice President; and one by Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer.
- b) One signature by Corporate designated individual together with properly attested resolution of Board of Directors authorizing person to sign on the company's behalf.

CONTRACT CANNOT BE ISSUED UNLESS THIS SIGNATURE PAGE IS COMPLETED PROPERLY.

NOTARIZATION: Documents executed outside of the State of California must be sworn to and notarized below:

County of <u>King</u> State of <u>Washington</u> Subscribed and sworn this <u>15th</u> day of <u>May</u> , 20 <u>18</u>  <small>Signature</small>	In witness whereof the City of Los Angeles has caused this contract to be executed by the Purchasing Agent of said City, and said Supplier has executed this contract the day and year written below. TONY M. ROYSTER Purchasing Agent, City of Los Angeles	Approved as to Form <u>6/4</u> , 20 <u>18</u> MICHAEL N. FEUER City Attorney By:  <small>Deputy City Attorney</small>
DAVID LUXEM NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES JUNE 19, 2021	Name _____ Date _____	

January 1, 2017

LIMITED SIGNATURE AUTHORITY APPOINTMENT LETTER

In accordance with the authority delegated by the Board of Directors of Zones, Inc. ("**Zones**"), subject to the express limitations set forth in this Limited Signature Authority Appointment Letter ("**Appointment Letter**"), and effective on January 1, 2017 ("**Effective Date**"), I, Ronald McFadden, the Senior Vice President and Chief Financial Officer of Zones, hereby appoint Jon Bailey ("**you**") in your capacity as Director, Business and Legal Affairs ("**Title**") at Zones, as an authorized representative of Zones to review and execute certain contracts or other binding documents of the types specified in the table below (each, a "**Contract**") in accordance with the limitations set forth in such table ("**Limitations**") until the earliest among: (a) December 31, 2017; (b) the date on which you cease to bear the Title at Zones; and (c) the date of your receipt of written notification by me or an officer of Zones that your authority hereunder has been revoked.

CONTRACTS AND LIMITATIONS		
Authorized Contract Type(s)	Not to Exceed Amount	Additional Requirements
All	Unlimited.	<ul style="list-style-type: none"> • You must strictly comply with Zones' policies and approved Contract review and approval processes and rules. • Executed Contracts must be saved in the location required. • You must not sign any Contracts on behalf of Zones other than as authorized hereunder.
Scope Limits	Contract Duration	
All, Except Banking/Tax Documents and Property Leases	Unlimited.	

Your appointment and the authority associated therewith is restricted to you alone and may not be transferred, reappointed or sub-delegated to any other person. For purposes of clarity, you acknowledge that the foregoing restrictions prohibit you from allowing any other person to apply your signature on any Contract. You further acknowledge your responsibility to ensure that no employees reporting up to you, if any, sign any contracts or other binding documents on behalf of Zones, except as authorized.



Ronald McFadden,
Senior Vice President and Chief
Financial Officer

Acknowledged by:



Jon Bailey
Director, Business and Legal Affairs