

## BUYING STRATEGIES

When Philadelphia's chief information officer, Brian Anderson, came on board last year, one of his first goals was to breathe life into a stalled effort to centralize the upkeep of desktop computers—a plan the city claims could save \$800,000 annually.

Under Anderson's direction, the city has become home to one of state and local governments' first experiments in "managed desktop programs," popularized lately by federal agencies. Seat management involves turning over the procurement and management of all desktop computers in an agency or enterprise entirely to a private company.

In this case, Philadelphia has tapped Vienna, Va.-based Intellisource Information Systems to manage up to 15,000 desktop units. The company claims it will return 20 percent to 25 percent in savings to most organizations

willing to migrate to a managed-service approach. Philadelphia puts its savings at \$800,000 a year, based on the city's analysis.

By centralizing the care of its PCs, Philadelphia was able to shut down expensive, duplicative desktop maintenance contracts throughout city offices. At the same time, the city purged its ranks of "shadow organizations," defined by Anderson as vendors hired on the fly to make up for a lack of technical know-how on the part of city employees assigned to desktop support.

"The project was initially started a couple of years ago, but when I arrived, I noticed it was dying fast," Anderson said. "The city had grown rather quickly in terms of its number of desktops, and it was clear that we had a problem in terms of the quality of sup-

port we were able to provide for the desktops."

Under the deal with Intellisource, city users turn to a single entity for any

computer-related problems. "If we can't fix the problem with a phone call, we dispatch an engineer. For that service, we

charge the city a flat fee each month," said

Stephen Marcus, vice president for Intellisource.

Philadelphia's

Anderson, who previously worked with Aetna Insurance Co., said the deal was made solely on the basis of quality of service. The deal started as a pilot contract for roughly 4,500 desktops and 2,000 printers. Philadelphia is expanding the program to cover desktops in more than 50 agencies, said Richard Congo, director of Philadelphia's enterprise



services.

Philadelphia has an option to expand the Intellisource contract to cover the replacement or purchase of PCs, which brings the deal close to the end-to-end service that seat management implies. "Seat management in its ultimate form guarantees simply that end users will be provided all the processing power they need to do their jobs," Marcus said. "It is up to the vendor to provide products and services. That is a pretty neat vision, but it's also a vision that requires some practical steps first."

Formerly called RMS Information Systems, Intellisource has cut its teeth on seat management deals. Intellisource is one of seven vendors on the Outsourcing Desktop Initiative for NASA.

"This is one area where the federal government is clearly leading the public sector," said Tom Davies, a vice president with Federal Sources Inc., a McLean, Va., government market consultancy. But the approach is taking hold in the state and local market.

"My take on this is that the state and local market is about at a takeoff stage for seat management, and that is being driven by the same factors that pushed the federal government into it," Davies said.

"For instance, cost of ownership is a driver, as is the need to support desktops which have been purchased at different times. And then there is the recruiting and retention issues agencies face."

— Jennifer Jones