

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2007-02

**Contract for Hardware Procurement
for the Link Operations & Maintenance Facility**

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	1/4/07	Discussion/Possible Action	Brian McCartan, Chief Financial Officer Kevin Crawford, IT Division Manager	(206) 398-5082 (206) 398-5137

Contract/Agreement Type:	✓	Requested Action:	✓
Competitive Procurement		Execute New Contract/Agreement	✓
Sole Source	✓	Amend Existing Contract/Agreement	
Agreement with Other Jurisdiction(s)		Budget Amendment	

PROJECT NAME

Central Link Light Rail Initial Segment

PROPOSED ACTION

Authorizes the chief executive officer to execute a sole source contract with Dell, Inc. to purchase hardware for Link Light Rail Operations and Maintenance Facility projects for a total authorized contract amount not to exceed \$400,000.

KEY FEATURES of PROPOSED ACTION

- Procurements will include the purchase of new hardware for Link Light Rail Operations and Maintenance Facility projects.
 - Aging hardware replacement includes workstations, monitors and servers as follows:
 - Workstation: 3 Years
 - Monitor: 3 Years
 - Server: 3 – 5 Years
 - Hardware requirements for projects are approved by Sound Transit’s Technology Steering Committee.
- Contract provides for a 15% to 40% discount as similarly provided in the contract Sound Transit has with Dell, Inc. through the Western States Contracting Alliance (WSCA). Sound Transit could not use WSCA for the Link Light Rail Operations and Maintenance Facility because WSCA would not permit the addition of required federal grant clauses.

BUDGET IMPACT SUMMARY

There is no action outside of the Board-adopted budget; there are no contingency funds required, no subarea impacts, or funding required from other parties other than what is already assumed in the financial plan.

BUDGET and FINANCIAL PLAN DISCUSSION

The proposed action would authorize execution of a sole source contract with Dell, Inc. to purchase hardware for Link Light Rail Operations and Maintenance (O&M) Facility projects for a total authorized contract amount not to exceed \$400,000.

The adopted budget for the Central Link Light Rail Initial Segment is \$2.07 billion. Within that amount, \$1.0 million has been set aside for the procurement of Other O&M Facility Equipment and Furniture (P816) within the construction phase. Approval of the proposed action, when added to existing commitments and a pending commitment for the contract to provide software maintenance and procurement services, would result in a total commitment of \$607,356, and leave a remaining balance of \$392,644 for this budget line item.

The proposed action is consistent with the current adopted budget and is affordable within the agency's long-term financial plan and subarea financial capacity. The action will have no new revenue impact on Sound Transit.

BUDGET TABLE

Action Item: Dell, Inc. (Purchase computer hardware for Link O&M Facility within the Central Link Initial Segment)

(Year of Expenditure \$000)

Initial Segment		Adopted 2006 Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
1	Agency Administration	216,780	118,894		118,894	97,886
2	Preliminary Engineering	34,000	33,310		33,310	690
3	Final Design	145,523	145,078		145,078	445
4	Right of Way	223,516	198,278		198,278	25,238
5	Construction	1,170,439	1,062,170	400	1,062,570	107,869
6	Construction Services	86,875	88,472		88,472	(1,597)
7	Third Party Agreements	59,560	58,731		58,731	829
8	Vehicles	133,307	131,799		131,799	1,508
9	Total Current Budget	2,070,000	1,836,732	400	1,837,132	232,868
Construction Phase Detail						
10	P816 Other O&M Equipment & Furn	1,000	207	400	607	393
11	Other O&M Facility Yard and Shop	4,719	693	-	693	4,026
12	Other Construction	1,164,720	1,061,270	-	1,061,270	103,450
13	Total Phase	1,170,439	1,062,170	400	1,062,570	107,869
Contract Amount						
		Board Approvals to Date (F)	Current Approved Contract Value (G)	Proposed Action (H)	Proposed Total for Board Approval (I)	Proposed Contract Value (J)
14	Contract Amount	-	-	400	400	400
15	Contingency	-	-	-	-	-
16	Total Contract	-	-	400	400	400
17	Percent Contingency	0%	0%	0%	0%	0%

(B) COMMITTED TO DATE amounts are from Agency BOE Report as of October 2006 + approved and pending board actions not recorded as of 10/31/06, or submitted after that date.

M/W/DBE – SMALL BUSINESS PARTICIPATION

Prime Consultant/Contractor

Dell, Inc. is the sole source for this contract and the products are purchased from and delivered directly by Dell.

EEO Commitment

Dell, Inc. is committed to Equal Employment Opportunity and Affirmative Action. Of its nationwide workforce reported in its 2005 Employer Information Report of 25,604 employees, 8,254 (32.2%) are people of color, and 7,816 (30.5%) are women.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

A piggy-back agreement with Western States Contracting Alliance (WSCA) was proposed for Dell hardware but rejected by WSCA because of federal grants clauses required for this Link project. Nevertheless, Dell, Inc. has agreed to use the WSCA pricing. Using the WSCA pricing allows Sound Transit to take advantage of a 15% to 40% discount afforded by this multi-agency procurement mechanism.

Sound Transit has procured technology hardware through a similar method for the past three years, each with an annual contract to cover the year's expected expenses.

Prior Board/Committee Actions on this Project

Motion/Resolution Number and Date	Summary of Action
M2003-125 12/03/03	Authorized the Chief Executive Officer to execute a contract with Dell Business Solutions to provide server network equipment and work stations for a total authorized amount not to exceed \$540,000.

Sole Source Justification

Three years ago, after interviewing three companies selected by WSCA for hardware solutions, Sound Transit selected Dell, Inc. as its hardware platform and as its technology and computer hardware vendor. Sound Transit selected one vendor to simplify its maintenance and support needs. Since that time, Sound Transit has standardized the agency's computer hardware platform to Dell. Dell, Inc. is the only distributor of the Dell equipment. Sound Transit must enter into a contract directly with Dell, Inc. for this purchase because the WSCA contract under which Sound Transit purchases equipment for the rest of the agency does not permit the inclusion of the federal grant clauses. Grant funding for the Link Light Rail Operations and Maintenance Facility project requires that certain federal grants clauses be part of the contract. Dell, Inc. is providing Sound Transit with the same terms and pricing as the WSCA contract in addition to the federal grant clauses.

CONSEQUENCES of DELAY

A delay in approval of the contract would prevent the IT division from being able to pay for maintenance and/or procurement of the hardware systems required for start-up work at the Link

Light Rail Operations and Maintenance facility. Resumption of maintenance support after a lapse will incur significant penalties.

PUBLIC INVOLVEMENT

Not applicable to this action.

ENVIRONMENTAL COMPLIANCE

Not applicable to this action.

LEGAL REVIEW

JW 12/11/06