



Motion No. M2022-58

Contract Modification with Dell Marketing L.P. for Technology Software, Hardware, and Related Maintenance Services

Meeting:	Date:	Type of action:	Staff contact:
Rider Experience and Operations Committee	07/15/2022	Final action	Stephen Baker, Deputy Chief Information Officer Garv Nayyar, Deputy Director Technology Delivery

Proposed action

Authorizes the chief executive officer to execute a contract modification with Dell Marketing L.P. to provide technology software, hardware, and related maintenance services in the amount of \$1,500,000 for a total authorized contract amount not to exceed \$11,000,000, plus applicable taxes.

Key features summary

- Sound Transit currently has a “piggy-back” contract based on the National Association of State Procurement Officials (NASPO) ValuePoint Master Contract with Dell Marketing L.P. via the State of Washington, Department of Enterprise Services (DES) participating addendum for the following services:
 - The replacement of aging hardware.
 - The purchase of new software and hardware for approved agency projects for Sound Transit Full Time Employees (FTEs) and consulting staff.
 - Maintenance renewals for software, servers, and disk storage units.
- The State of Washington participates in NASPO to consolidate purchasing power and achieve a 15 to 40 percent discount on the various goods and services listed above.
- Sound Transit has procured technology, software, and hardware through a similar method for the past 17 years, each with a “piggy-back” contract that aligns with State or NASPO contract terms.
- The requested funds are intended to provide continued services through the February 2023 expiration of the current NASPO contract. If the NASPO contract is extended, Sound Transit may continue to use the contract if there is money remaining in the authorized contract amount.
- Applicable taxes on the full modified contract are currently estimated to be \$1,127,500.

Background

In November 2015, Sound Transit executed a short-term contract under the National Association of State Procurement Officials (NASPO) ValuePoint Master Contract with Dell Marketing L.P. via the State of Washington, Department of Enterprise Services (DES) participating addendum to evaluate the best procurement options for agency workstations. After the trial period, Sound Transit determined that purchasing from Dell Marketing L.P. through the NASPO Master contract would best meet the agency’s needs. The term of the NASPO contract was recently extended for a new expiration of February 2023.

This contract modification is intended to provide sufficient funding to procure workstations and replacement hardware for employees and co-located consultants, as well as obtain new hardware for additional positions expected to be filled throughout the contract term ending in February 2023. This contract also includes funds for purchase of new datacenter hardware and maintenance renewals on datacenter hardware required to support approved technology and system expansion projects.

The maintenance services portion of the contract includes 24-hour support for servers, parts, and software replacement, with a four-hour response time. Maintenance for workstations, laptops, and monitors includes 24-hour support with next business day parts replacement.

Procurement information

This is a piggyback of the Washington State Department of Enterprise Services' (DES) Participating Addendum (#05815) to the National Association of State Procurement Officers (NASPO) Agreement with Juniper Networks, Inc (master contract MNWNC-108.)

Under the terms of the agreement, Sound Transit will purchase product from Dell Marketing L.P. The NASPO contract has rigorous supplier commitments to ensure supplier partners offer their best supplier government pricing which allows Sound Transit to take advantage of the discounts afforded by this multi-agency procurement mechanism.

The Master Contract (MNWNC-108) was executed April 1, 2015, for a two-year initial term ending March 31, 2017, which may be extended up to three additional, one-year renewal options provided both the master contract and the DES's Participating Addendum permit. NASPO Amendment No.1 was executed on February 14, 2017 to extend the contract through March 31, 2020. Second Amendment was executed in December 19, 2019 to extend the contract through July 2021. NASPO executed a third Amendment, which extended the contract through July 2022. NASPO recently executed a fourth Amendment, which extended the contract through February 2023.

Fiscal information

Sufficient funds exist in both the department and project budgets to support this action.

The proposed action will modify the current contract by \$1,500,000 for a new total authorized contract amount not to exceed \$11,000,000, plus applicable taxes. This action will be funded by both the Information Technology Department annual budget from the Services category for software maintenance agreements and the Information Technology Infrastructure project budget for hardware procurements.

The IT Department Budget anticipates \$200,000 plus applicable taxes of this action to be spent in 2022 and another \$200,000 plus applicable taxes to be spent in future department budgets,

The Information Technology Infrastructure project anticipates using the balance of the contract modification \$1,100,000 plus applicable taxes within the contract period expiring in February 2023.

This action does not have an impact on the affordability of the Agency's Finance Plan.

**Information Technology (IT)
Infrastructure Program
& Information Technology Department**
(in thousands)

Contract Detail	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
Dell Computers LLC				
Contract Amount	\$9,500	\$9,500	\$1,500	\$11,000
Estimated Taxes	\$973	\$973	154	1,127
Contingency Amount	-	-	-	-
Total Contract (plus estimated taxes)	\$10,473	\$10,473	\$1,654	\$12,127

Information Technology Infrastructure Program	Authorized Project Allocation	Board Approvals	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Project Phase					
Operation and Maintenance	\$9,250	\$1,640	\$	\$1,640	\$7,610
Admin Capital	\$16,587	\$7,840	\$1,213	\$9,052	\$7,535
Agency Administration	8,539	524		524	8,016
Construction	12,466				12,466
Total Current Budget	\$46,843	\$10,003	\$1,213	\$11,216	\$35,627

Admin Capital Phase	Authorized Project Allocation	Board Approvals	This Action	Board Approved Plus	Uncommitted / (Shortfall)
Hardware Procurement	\$11,975	\$6,710	\$1,213	\$7,922	\$4,053
Other Admin Capital	4,612	1,130		1,130	3,482
Total Current Budget	\$16,587	\$7,840	\$1,213	\$9,052	\$7,535

Notes:

Amounts are expressed in year of expenditure \$000s
Board Approvals = Committed To-Date + Contingency as of 6/21/2022.
For detailed project information, see page 208 od 219 in the 2022 Financial Plan & Adopted Budget.

	2022 Annual Operating Budget	YTD Actuals	Current Action Forecast 2022 Spending	Actuals to Date Plus Action	Remaining Annual Operating Budget
Salaries and Benefits	\$20,593	\$7,379	\$	\$7,379	\$13,213
Services	12,009	4,522	221	4,743	7,266
Materials and Supplies	1,276	325		325	951
Utilities	1,002	602		602	400
Miscellaneous	108	13		13	96
Total Annual Operating Budget	\$34,988	\$12,841	\$221	\$13,062	\$21,926

Notes:

For detailed project information, see page 71 of 219 of the 2022 Financial Plan & Adopted Budget.
\$200K of the contract amount plus applicable taxes, will be included in future budget development processes.

Disadvantaged and small business participation

Participation by small businesses and disadvantaged business enterprises (DBEs)

Sound Transit promotes and encourages small business participation, which also includes Disadvantaged Business Enterprises (DBEs). Because this contract “piggybacks” onto the NASPO agreement with Juniper Networks, Inc., goals for participation were not established by Sound Transit.

Public involvement

Not applicable to this action.

Time constraints

A one-month delay would severely impact support services from the vendor.

Prior Board/Committee actions

Motion No. M2021-39: Authorized the chief executive officer to execute a contract amendment with Dell Marketing L.P. to provide technology software, hardware and related maintenance services in the amount of \$1,405,109 for a total authorized contract amount not to exceed \$9,500,000, plus applicable taxes.

Motion No. M2019-11: Authorized the chief executive officer to execute a contract amendment with Dell Marketing L.P. to provide technology software, hardware and related maintenance services in the amount of \$3,500,000 for a total authorized contract amount not to exceed \$8,094,891, plus applicable taxes.

Motion No. M2017-44: Authorized the chief executive officer to execute a contract amendment with Dell Marketing L.P. to provide technology software, hardware and related maintenance services in the amount of \$3,858,975 for a total authorized contract amount not to exceed \$5,058,975.

Motion No. M2016-23: Authorized the chief executive officer to execute a contract amendment with Dell Marketing L.P. to provide technology software, hardware and related maintenance services in the amount of \$1,002,720, for a total authorized contract amount not to exceed \$1,200,000.

Environmental review – KH 6/23/22

Legal review – AJP 7/8/22



Motion No. M2022-58

A motion of the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract modification with Dell Marketing L.P. to provide technology software, hardware, and related maintenance services in the amount of \$1,500,000 for a total authorized contract amount not to exceed \$11,000,000, plus applicable taxes.

Background

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Applicable taxes on the full modified contract are currently estimated to be \$1,127,500.

Motion

It is hereby moved by the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a contract modification with Dell Marketing L.P. to provide technology software, hardware, and related maintenance services in the amount of \$1,500,000 for a total authorized contract amount not to exceed \$11,000,000, plus applicable taxes.

APPROVED by the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on _____.

Kristina Walker
Rider Experience and Operations Chair

Attest:

Kathryn Flores
Board Administrator