

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2005-17

Procurement of Technology Hardware through Dell, Inc.

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	2/18/05	Discussion/Possible Action	Hugh Simpson, Chief Financial Officer Kevin Crawford, IT Division Manager	(206) 398-5082 (206) 398-5317

Contract/Agreement Type:	✓	Requested Action:	✓
Competitive Procurement		Execute New Contract/Agreement	✓
Sole Source		Amend Existing Contract/Agreement	
Interagency Agreement		Contingency Funds (Budget) Required	
Purchase/Sale Agreement		Budget Amendment Required	

✓ *Applicable to proposed transaction.*

ACTION

Authorizes the Chief Executive Officer to execute a contract with Dell, Inc. to provide technology and computing hardware services for 2005, to update agency systems and fulfill requirements of technology projects for a total contract amount not to exceed \$800,000.

KEY FEATURES

- Procurements will include the replacement of aging hardware, and purchase of new hardware for approved technology projects.
 - Hardware refresh includes workstations, monitors and servers.
 - Requirements for the following projects approved in the 2005 Budget and by the Sound Transit Technology Steering Committee (TSC): Voice over Internet Protocol (VoIP), EnterpriseOne Enhancements, Enterprise Management System, ST Portal Project and other business level projects.
- This contract was procured through a piggy-back agreement on The Western States Contracting Alliance (WSCA), a Washington State Department of Information Services Master Contract for Dell Business Solutions hardware. Using this master contract allows Sound Transit to take advantage of a 15% to 40% discount without having to engage in a lengthy Request for Proposal (RFP) process.
- Sound Transit's Technology Steering Committee for information technology approved an IT request to make Dell the Sound Transit standard for computing hardware.

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 DISCUSSION

The amount requested in this motion is within the 2005 adopted budget. The budget includes an account for computer equipment under \$5000 in the staff operating budget and an account for computer equipment over \$5000 in the administrative capital budget.

REVENUE, SUBAREA, AND FINANCIAL PLAN IMPACTS

This procurement is affordable within the current financial plan and has no adverse impact.

BUDGET TABLE

Summary for Board Action (Year of Expenditure \$000)

Action Item: Contract for Inromation Technology Equipment (Dell)

	(A) Current Approved Contract Value	(B) Spent to Date	(C) Proposed Action	(D) Proposed Total Contract Value
1 Contract Budget				
Workstation and Servers	0	-	800,000	800,000
Total	0	-	800,000	800,000
	0%	-	0%	0%

Contract to be Charged to:

	2005 Staff Budget	Future Staff Budgets	Direct Charges to Projects	Total
2 Workstation and Servers	800,000	-	-	800,000

Finance Department, Account Budget	2005 Board Adopted Staff Budget	Spent to Date in 2005	This Action for 2005	2005 Suplus (Shortfall)
3 Administrative Capital (159606)	800,000		800,000	-
4 Total Account	800,000	-	800,000	-

Budget Shortfall

	Level	\$	Revenues	Funding Source
9	NA	-	-	NA

Notes

- 1 Base proposed contract value
- 2 Detail of where contract will be charged
- 3 Account, with budget detail, to which contract will be charged
- 4 Account, with budget detail, to which contract will be charged

Since the adopted book is not available yet, we are supplying budget page numbers from Proposed budget book. The amounts requested are in page 233 in Proposed budget book plus amendment 20 to proposed budget approved by Board includes an additional 1.4 m

M/W/DBE – SMALL BUSINESS PARTICIPATION

Not applicable for this action.

HISTORY OF PROJECT

Prior Board or Committee Actions and Relevant Board Policies

Motion or Resolution Number	Summary of Action	Date of Action
M2003-125	Procurement for Server Network and Workstation Equipment Replacement	12/03/03

Dell Inc. was chosen as the technology and computing hardware vendor through a Request for Quote (RFQ) process in November 2003. The RFQ requested responses from all WSCA hardware participants (IBM, HP and Dell). These procurements with Dell would replace aging server network and workstation equipment that are reaching the end of their useful lives.

The Agency has begun replacing network servers purchased since 1997 and on the 5-year cycle prescribed by the TSC. Workstations are replaced on a 3-year cycle as prescribed by the TSC.

Proactive replacement reduces the chances of a major component failure which could result in loss of the availability of all or part of the data network, including the web site, external e-mail, project controls, finance, and /or CAD applications, for an extended period of time. Any network-based storage and/or applications could be negatively impacted resulting in a loss of productivity and a negative financial impact to the agency.

CONSEQUENCES OF DELAY

A delay beyond February 28, 2005, will require a suspension of work for refresh and other technology projects and will delay any further IT procurements of this type. A delay may increase the risk of a prolonged network failure due to inability to procure replacement hardware.

PUBLIC INVOLVEMENT

Not applicable to this action.

LEGAL REVIEW

MB 2/07/05

SOUND TRANSIT

MOTION NO. M2005-17

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the Chief Executive Officer to execute a contract with Dell Inc. to provide technology and computing hardware services in 2005, to update agency systems and fulfill requirements of technology projects for a total contract amount not to exceed \$800,000.

Background:

Dell Inc. was chosen as the technology and computing hardware vendor through a Request for Quote (RFQ) process in November 2003. The RFQ requested responses from all The Western States Contracting Alliance hardware participants (IBM, HP and Dell). These procurements would replace aging server network and workstation equipment that are reaching the end of their useful lives.

The agency has begun replacing network servers purchased since 1997 and on the 5-year cycle prescribed by the Technology Steering Committee (TSC); workstations are replaced on a 3-year cycle prescribed by the TSC.

Proactive replacement reduces the chances of a major component failure which could result in loss of the availability of all or part of the data network, including the web site, external e-mail, project controls, finance, and /or CAD applications, for an extended period of time. Any network-based storage and/or applications could be negatively impacted resulting in a loss of productivity and a negative financial impact to the agency.

Motion:


It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that the Chief Executive Officer is authorized to execute a contract with Dell Inc. to provide technology and computing hardware services in 2005, to update agency systems and fulfill requirements of technology projects for a total contract amount not to exceed \$800,000.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on February 18, 2005.



Kevin R. Phelps
Finance Committee Chair

ATTEST:



Marcia Walker
Board Administrator