

**MOTION NO. M2017-44**
**Contract Amendment for Technology Software, Hardware, and Related Maintenance Services**

<b>MEETING:</b>	<b>DATE:</b>	<b>TYPE OF ACTION:</b>	<b>STAFF CONTACT:</b>
Operations and Administration Committee	04/06/2017	Recommendation to the Board	Brian McCartan, Executive Director of Finance and Information Technology
Board	04/27/2017	Final Action	<b>Jason Weiss, Chief Information Officer</b>

**PROPOSED ACTION**

Authorizes 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.

**KEY FEATURES SUMMARY**

- Sound Transit currently has a “piggy-back” contract based on the State of Washington, Department of Enterprise Services Master contract with Dell Marketing L.P. for the following services:
  - The replacement of aging hardware;
  - The purchase of new software and hardware for approved agency projects for Sound Transit FTEs and consulting staff; and
  - Maintenance renewals for software, servers and disk storage units.
- The original contract was executed under the CEO’s authority in the amount of \$197,280, and was amended by the Operations and Administration Committee in 2016 to increase the contract to \$1,200,000. The requested funds would provide continued services through the expiration of the current State contract, in March 2020.
- The State of Washington participates in the Western States Contracting Alliance to consolidate purchasing power and achieve significant discounts on various goods and services.
- Using the State contract allows Sound Transit to take advantage of a 15% to 40% discount afforded by this multi-agency procurement mechanism.
- Sound Transit has procured technology software and hardware through a similar method for the past twelve years, each with a “piggy-back” contract that aligns with State contract terms.

**BACKGROUND**

In November 2015, Sound Transit executed a short-term contract under the Washington State Department of Enterprise Services (DES) Master contract with Dell Marketing L.P. to evaluate the best procurement options for the agency. After an initial trial period, Sound Transit determined that purchasing from Dell Marketing L.P. through the Department of Enterprise Services Master contract would best meet the agency’s needs.

The term of the State of Washington, Department of Enterprise Services State contract was extended by 36 months in March 2017 for a new expiration of March 2020. This contract amendment will provide sufficient funds 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. This contract also includes funds for maintenance renewals on server hardware required to support approved technology 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.

## **FISCAL INFORMATION**

This action is within the adopted budget and sufficient monies remain after approval of this action to fund the remaining computer equipment and software purchases. Future year expenses will be included in subsequent annual budgets submitted to the Board for adoption.

This action executes a contract amendment of \$3,858,975 to purchase equipment, software and related maintenance services. The contract amendment includes funding from both capital and operating budgets. \$964,744 will be funded from the Information Technology (IT) program and \$2,894,231 will be funded from the Finance & Information Technology (FIT) department budget, for a total authorized amount not exceeding \$5,058,975.

The IT program budget is \$32,235,337 and within that amount, \$28,798,222 has been allocated to the admin capital phase. The proposed action would commit \$964,744 and leave a remaining budget balance of \$15,434,373.

The proposed action will be funded from the services and material supplies categories within the FIT department's annual operating budget. The services category budget is \$17,281,427 of which a total of \$65,000 is estimated to be spent in 2017. The material and supplies category budget is \$1,581,549 of which a total of \$545,000 is estimated to be spent in 2017.

**Contract Detail**  
(in thousands)

	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
<b>Dell Marketing L.P.</b>				
Contract Amounts - Information Technology Program	\$30	\$180	\$965	\$1,145
Contract Amounts -Finance and Information Technology Department	\$168	\$1,020	\$2,894	\$3,914
Contingency Amount	-	-	-	-
<b>Total Contract</b>	<b>\$197</b>	<b>\$1,200</b>	<b>\$3,859</b>	<b>\$5,059</b>
Percent Contingency	0%	0%	0%	0%

**Information Technology Program**  
(in thousands)

Project Phase	Project Allocation to Date or Baseline Budget	Board Approvals	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Operation+Maintenance	\$700	\$244		\$244	\$456
Admin Capital	28,798	12,399	965	13,364	15,434
Agency Administration	1,672	950		950	722
Preliminary Engineering	1,065	216		216	849
<b>Total Current Budget</b>	<b>\$32,235</b>	<b>\$13,809</b>	<b>\$965</b>	<b>\$14,774</b>	<b>\$17,461</b>

**Notes:**

Amounts are expressed in year of expenditure.

Board Approvals = Committed To-Date + Contingency as of February 28, 2017, and includes pending Board actions.

For detailed project information, see page 128 in the Adopted 2017 Transit Improvement Plan.

**Finance and Information Technology**

**Department**  
(in thousands)

Cost Category	2017 Annual Operating Budget	Actuals to Date	Current Action Forecast 2017 Spending	Actuals to Date Plus Action	Remaining Annual Operating Budget
Salaries and Benefits	\$20,981	\$2,604	\$	\$2,604	\$18,377
Services	17,281	1,682	65	1,747	15,535
Materials and Supplies	1,582	151	545	696	886
Utilities	953	92		92	861
Insurance	7,482	1,026		1,026	6,456
Miscellaneous	509	86		86	423
Leases and Rentals	415				415
<b>Total Annual Operating Budget</b>	<b>\$49,203</b>	<b>\$5,641</b>	<b>\$610</b>	<b>\$6,251</b>	<b>\$42,953</b>
<b>Dell Marketing L.P. Contract Spending Plan</b>		<b>Prior Year Spending</b>	<b>Forecast 2017 Spending</b>	<b>Future Expenditures</b>	<b>Total</b>
Finance and Information Technology Department		100	610	3,204	3,914
<b>Total Contract Spending</b>		<b>\$100</b>	<b>\$610</b>	<b>\$3,204</b>	<b>\$3,914</b>

**Notes:**

Actuals to date are thru February 28, 2017.

Budget for this item is located on page 29 of the Adopted 2017 Budget.

## **SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION**

Sound Transit promotes and encourages small business participation, which also includes Disadvantaged Business Enterprises (DBEs). Because this contract “piggy-backs” onto the State contract with Dell Marketing L.P., goals for participation were not established by Sound Transit.

## **PUBLIC INVOLVEMENT**

Not applicable to this action.

## **TIME CONSTRAINTS**

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

## **PRIOR BOARD/COMMITTEE ACTIONS**

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**

Jl 3/15/2017

## **LEGAL REVIEW**

AJP 3/30/2017

**MOTION NO. M2017-44**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing 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.

**BACKGROUND:**

In November 2015, Sound Transit executed a short-term contract under the Washington State Department of Enterprise Services (DES) Master contract with Dell Marketing L.P. to evaluate the best procurement options for the agency. After an initial trial period, Sound Transit determined that purchasing from Dell Marketing L.P. through the Department of Enterprise Services Master contract would best meet the agency's needs.

The term of the State of Washington, Department of Enterprise Services State contract was extended by 36 months in March 2017 for a new expiration of March 2020. This contract amendment will provide sufficient funds 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. This contract also includes funds for maintenance renewals on server hardware required to support approved technology projects.

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The original contract was executed under the CEO's authority in the amount of \$197,280, and was amended by the Operations and Administration Committee in 2016 to increase the contract to \$1,200,000. The requested funds would provide continued services through the expiration of the current State contract, in March 2020.

**MOTION:**

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized 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.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on April 27, 2017.

  
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Marilyn Strickland  
Board Vice Chair

ATTEST:

  
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Kathryn Flores  
Board Administrator