

MOTION NO. M2017-67

**Contract Amendment for Technology Software, Hardware, and Related Maintenance Services**

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Operations and Administration Committee	05/04/2017	Recommend to Board	Brian McCartan, Executive Director of Finance and Information Technology
Board	05/25/2017	Final Action	<b>Jason Weiss, Chief Information Officer</b>

**PROPOSED ACTION**

Authorizes the chief executive officer to execute a contract amendment with Right! Systems, Inc. to purchase CISCO telephony equipment, network equipment, software and hardware maintenance services through May 2019 in the amount of \$3,853,500, for a new total authorized contract amount not to exceed \$6,353,500.

**KEY FEATURES SUMMARY**

- Sound Transit currently procures CISCO hardware and software through the Washington State Department of Enterprise Services (DES) Master Contract. Right! Systems, Inc. is CISCO's order fulfillment partner under that contract.
- Using the DES Master Contract allows Sound Transit to take advantage of a 20 to 50 percent discount.
- Sound Transit will use this contract to purchase the following:
  - New desk phones, CISCO servers, and software;
  - New CISCO networking equipment (switches, routers, etc.) for approved agency administrative projects;
  - Maintenance renewals for CISCO network equipment, servers, and software; and
  - Other items as included in the DES Master Contract.
- Additional funding is being requested to provide these services for agency staff through the end of the term of the DES Master Contract in May 2019, and to provide an expanded scope of services for Sound Transit's Operations network systems managed in-house by Sound Transit. Additional funding is also required because the Agency is acquiring space and thus networking hardware and related software requirements beyond the original plan.

**BACKGROUND**

Sound Transit has been using CISCO products for twelve years to support the agency's growing network, telephony, and financial network system environments. Sound Transit is exercising its option to obtain services through Right! Systems, Inc. at a 20 to 50 percent discount through the DES Master Contract. The term of the contract will coincide with the term of the DES Master Contract through May 2019.

This contract includes sufficient authority to cover procurement needs for desk phones, network equipment, and software to support the agency network. This contract also includes funds for maintenance renewals on all network equipment, software, and server hardware required to support approved technology projects. The maintenance services portion of the contract includes around-the-clock support for servers, parts, and software, with a four hour response time.

The scope of services provided by Information Technology was recently expanded to include the Operations network systems under the Operational Technology group. Due to the uplift in those systems, the additional contract authority is required to support this expanded scope.

#### PROCUREMENT INFORMATION

Sound Transit is using a Washington State Department of Enterprise Services (DES) Master Contract with Right! Systems, Inc. for CISCO hardware and software, network equipment, software and hardware maintenance services. The DES Master Contract extends until May 2019.

#### FISCAL INFORMATION

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

This action executes a contract amendment with Right! Systems, Inc. for an additional \$3,853,500 to purchase equipment, software, and related maintenance services. The contract amendment includes funding from both capital and operating budgets. \$2,504,775 will be funded from the Information Technology (IT) program and \$1,348,725 will be funded from the Finance & Information Technology (FIT) department budget, for a total authorized amount not exceeding \$6,353,500.

The IT program budget is \$32,235,103. Within that amount, \$29,312,651 has been allocated to the admin capital phase. The proposed action would commit \$2,504,775 and leave a remaining budget balance of \$14,209,501.

The proposed action will be funded from the services and materials and supplies category within the FIT department's annual operating budget. The services category budget is \$17,281,427 of which a total of \$25,000 is estimated to be spent in 2017. The materials and supplies category budget is \$1,582,099, of which a total of \$65,000 is estimated to be spent in 2017.

Contract Amendment for Right! Systems Inc.  
(in thousands)

Contract Detail	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
Contract Amounts - Information Technology Program	\$1,625	\$1,625	\$2,505	\$4,130
Contract Amounts -Finance and Information Technology Department	\$875	\$875	\$1,349	\$2,224
Contingency Amount	-	-	-	-
<b>Total Contract</b>	<b>\$2,500</b>	<b>\$2,500</b>	<b>\$3,854</b>	<b>\$6,354</b>
Percent Contingency	0%	0%	0%	0%

**Information Technology Program**

Project Phase	Project Allocation to Date or Baseline Budget	Board Approvals	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Operation+Maintenance	\$500	\$244		\$244	\$256
Admin Capital	29,313	12,599	2,505	15,104	14,209
Agency Administration	1,357	951		951	406
Preliminary Engineering	1,065	216		216	849
<b>Total Current Budget</b>	<b>\$32,235</b>	<b>\$14,010</b>	<b>\$2,505</b>	<b>\$16,515</b>	<b>\$15,720</b>

**Notes:**

Board Approvals = Committed To-Date + Contingency as of March 31, 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**

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	\$4,059	\$	\$4,059	\$16,922
Services	17,281	3,650	25	3,675	13,606
Materials and Supplies	1,582	283	65	348	1,234
Utilities	953	184		184	769
Insurance	7,482	1,061		1,061	6,421
Miscellaneous	509	178		178	331
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Leases and Rentals	415	115		115	300
<b>Total Annual Operating Budget</b>	<b>\$49,203</b>	<b>\$9,531</b>	<b>\$90</b>	<b>\$9,621</b>	<b>\$39,583</b>

  

Contract Detail	Prior Year Spending	Forecast 2017 Spending	Future Expenditures	Total
Finance and Information Technology Department	875	90	1,259	2,224
<b>Total Contract Spending</b>	<b>\$875</b>	<b>\$90</b>	<b>\$1,259</b>	<b>\$2,224</b>

**Notes:**

Actuals to date are thru March 31, 2017.  
Budget for this item is located on page 29 of the Adopted 2017 Budget book.

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 “piggybacks” onto the State contract with Right! Systems, Inc., goals for participation were not established by Sound Transit.

PUBLIC INVOLVEMENT

Not applicable to this action.

## TIME CONSTRAINTS

A one-month delay would have an impact on Sound Transit's ability to meet ongoing needs for CISCO equipment and vendor hardware and software support services.

## PRIOR BOARD/COMMITTEE ACTIONS

Motion No. M2015-37: Authorized the chief executive officer to execute a contract with Right! Systems, Inc. to provide CISCO telephony equipment, network equipment, software and hardware maintenance services through May 2019, for a total authorized contract amount not to exceed \$2,500,000.

## ENVIRONMENTAL REVIEW

JI 4/6/2017

## LEGAL REVIEW

AJP 4/28/2017

**MOTION NO. M2017-67**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract amendment with Right! Systems, Inc. to purchase CISCO telephone equipment, network equipment, software and hardware maintenance services through May 2019 in the amount of \$3,853,500, for a new total authorized contract amount not to exceed \$6,353,500.

**BACKGROUND:**

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This contract includes sufficient authority to cover procurement needs for desk phones, network equipment, and software to support the agency network. This contract also includes funds for maintenance renewals on all network equipment, software, and server hardware required to support approved technology projects. The maintenance services portion of the contract includes around-the-clock support for servers, parts, and software, with a four hour response time.

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**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 Right! Systems, Inc. to purchase CISCO telephone equipment, network equipment, software and hardware maintenance services through May 2019 in the amount of \$3,853,500, for a new total authorized contract amount not to exceed \$6,353,500.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 25, 2017.



Dave Somers  
Board Chair

ATTEST:



Kathryn Flores  
Board Administrator