

**MOTION NO. M2018-26**
**Contract for Technology Software, Hardware, and Related Maintenance**

<b>MEETING:</b>	<b>DATE:</b>	<b>TYPE OF ACTION:</b>	<b>STAFF CONTACT:</b>
Operations and Administration Committee	03/01/2018	Final Action	Michael Harbour, Deputy CEO <b>Jason Weiss, Chief Information Officer</b>

**PROPOSED ACTION**

Authorizes the chief executive officer to execute a contract with CDW Government LLC to provide technology software, hardware, peripherals, and related maintenance services in the amount of \$400,000 plus applicable taxes.

**KEY FEATURES SUMMARY**

- Sound Transit will execute a “piggyback” contract through the King County Directors’ Association’s (KCDA) Master Contract with CDW Government LLC (CDW-G) for a variety of items and services offered in the technology catalog including, but not limited to:
  - The replacement of aging small hardware and peripherals;
  - The purchase of new software, hardware, and peripherals for approved agency projects for Sound Transit employees and consulting staff; and
  - Maintenance renewals for software licenses.
- The requested funds would provide for the purchase of goods and services through the expiration of the current KCDA contract in June 2019.
- Sound Transit has procured technology software and hardware through a similar method for the past ten years, each with a “piggyback” contract that aligns with State contract terms.
- Applicable taxes for this contract are currently estimated to be \$40,400.

**BACKGROUND**

Sound Transit would like to execute a contract under the KCDA Master Contract with CDW-G. KCDA is executing a new contract with CDW-G effective as of March 1, 2018. Sound Transit has used this purchasing mechanism for the past ten years and has determined that it provides good purchasing value for the agency.

CDW-G’s competitive pricing on the KCDA contract has allowed Sound Transit to purchase more small peripherals to meet the agency’s needs and maximize the agency’s overall budget for these purchases. KCDA participates in the Association of Educational Purchasing Agencies (AEPA) to consolidate purchasing power and achieve significant discounts on various goods and services. Using the KCDA contract allows Sound Transit to take advantage of a significant discount afforded by this cooperative procurement mechanism.

**PROCUREMENT INFORMATION**

The Procurement and Contracts Division has determined that the best method to procurement of software products is a “piggyback” under a King County Directors’ Association (KCDA) Master Contract. KCDA conducted a competitive solicitation process through an Invitation to Bid published

in the Seattle Daily Journal of Commerce on August 16 and August 23, 2017. KCDA received seven responses to the solicitation and after conclusion of the process, the contract was awarded to CDW-G on February 28, 2018 with an effective date of March 1, 2018. Term of contract is 15 months with an additional three one-year extension options. This contract will allow Sound Transit to take advantage of a 4-20 percent discount off published list price afforded by this procurement mechanism.

## **FISCAL INFORMATION**

This action is within the adopted budget and sufficient monies remain after approval of this action to fund the remaining software, hardware, peripherals, and related maintenance services. Future year expenses will be included in subsequent annual budgets submitted to the Board for adoption.

The CDW-G contract will receive funding from both capital and operating budgets. The Information Technology Program will fund \$120,000 and Finance and Information Technology (FIT) Department will fund \$280,000.

The Information Technology Program authorized project allocation is \$35,136,030. Within that amount, \$24,780,150 has been allocated to the admin capital phase. The proposed action would commit \$132,120 and leave a remaining uncommitted balance of \$6,149,422.

The proposed action will be funded from the Services and Material and Supplies categories within the FIT Department's annual operating budget. The Services category budget is \$14,221,748 of which a total of \$155,241 is estimated to be spent in 2018. The Material and Supplies category budget is \$1,875,646 of which a total of \$85,328 is estimated to be spent in 2018.

**Contract Detail for CDW Government LLC**  
(in thousands)

<b>Contract Detail</b>	<b>Board Approvals to Date</b>	<b>Current Approved Contract Status</b>	<b>Proposed Action</b>	<b>Proposed Total for Board Approval</b>
Contract Amounts - Information Technology Program	\$	\$	\$120	\$120
Contract Amounts - Finance And Information Technology Department	\$	\$	\$280	\$280
Contingency Amount	-	-	-	-
Estimated Tax	-	-	40	40
<b>Total Contract (plus estimated taxes)</b>	<b>\$</b>	<b>\$</b>	<b>\$440</b>	<b>\$440</b>
Percent Contingency	0%	0%	0%	0%

**Information Technology Program**

<b>Project Phase</b>	<b>2018 Authorized Project Allocation</b>	<b>Board Approvals</b>	<b>This Action</b>	<b>Board Approved Plus Action</b>	<b>Uncommitted / (Shortfall)</b>
Operation+Maintenance	\$315	\$	\$	\$	\$315
Admin Capital	24,780	18,499	132	18,631	6,149
Agency Administration	3,593	1,200		1,200	2,393
Preliminary Engineering	6,448	1,229		1,229	5,219
<b>Total Current Budget</b>	<b>\$35,136</b>	<b>\$20,928</b>	<b>\$132</b>	<b>\$21,060</b>	<b>\$14,076</b>

**Notes:**

Board Approvals = Committed To-Date + Contingency, and includes pending Board actions.  
For detailed project information, see page 147 in the Proposed 2018 Transit Improvement Plan.

**Finance and Information Technology Department**

<b>Cost Category</b>	<b>2018 Annual Operating Budget</b>	<b>Actuals to Date</b>	<b>Current Action Forecast 2018 Spending</b>	<b>Actuals to Date Plus Action</b>	<b>Remaining Annual Operating Budget</b>
Salaries and Benefits	\$26,648	\$1,290	\$	\$1,290	\$25,358
Services	14,222	927	155	1,083	13,139
Materials and Supplies	1,876	14	85	100	1,776
Utilities	1,068	20		20	1,048
Insurance	8,533	570		570	7,963
Miscellaneous	448	47		47	401
Leases and Rentals	466	71		71	395
<b>Total Annual Operating Budget</b>	<b>\$53,260</b>	<b>\$2,941</b>	<b>\$241</b>	<b>\$3,181</b>	<b>\$50,079</b>

**Notes:**

Budget for this item is located on page 18 of the Proposed 2018 Budget book.  
Actuals to date as of January 31, 2018 (numbers are preliminary subject to the accounting close for the month.)  
The remaining contract amount including estimated taxes is 67,711 and will be included in subsequent annual budgets submitted to the Board.

**SMALL BUSINESS/DBE PARTICIPATION**

Sound Transit promotes and encourages small business participation, which also includes Disadvantaged Business Enterprises (DBEs). Because this contract “piggybacks” onto the KCDA contract with CDW-G, 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.

**ENVIRONMENTAL REVIEW**

KH 2/23/18

**LEGAL REVIEW**

AJP 2/23/18

**MOTION NO. M2018-26**

A motion of the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract with CDW Government LLC to provide technology software, hardware, peripherals, and related maintenance services in the amount of \$400,000 plus applicable taxes.

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**MOTION:**

It is hereby moved by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a contract with CDW Government LLC to provide technology software, hardware, peripherals, and related maintenance services in the amount of \$400,000 plus applicable taxes.

APPROVED by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on March 1, 2018.

  
Paul Roberts  
Operations and Administration Committee Chair

ATTEST:

  
Kathryn Flores  
Board Administrator