



Motion No. M2021-39

Contract Modification for Technology Software, Hardware, and Related Maintenance Services

Meeting:	Date:	Type of action:	Staff contact:
Rider Experience & Operations Committee	07/01/2021	Final action	Jason Weiss, Chief Information Officer Garv Nayyar, Deputy Project Director - IT Operations

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 \$1,405,109 for a total authorized contract amount not to exceed \$9,500,000, 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 July 2022 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 \$959,500.

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 July 2022.

The original contract was executed under the CEO's authority in the amount of \$197,280, and was modified by the Operations and Administration Committee in 2016 to increase the contract to \$1,200,000. In April 2017, the contract was modified to \$5,058,975. In February 2019, it was further modified by the Rider Experience and Operations Committee to increase the contract to \$8,094,891, amounts inclusive of applicable taxes.

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 July 2022. 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 Dell Marketing L.P. (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. The second Amendment was executed on December 19, 2019 to extend the contract through July 2021. NASPO executed a third Amendment, which extended the contract through July 2022.

Fiscal information

The proposed action will modify the current contract by \$1,405,109 for a new total authorized contract amount not to exceed \$9,500,000, 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 of this action to be spent in 2021 and another \$200,000 to be spent in future department budgets,

The Information Technology Infrastructure project anticipates using the balance of the contract modification \$1,005,109 within the contract period expiring in July 2022.

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

Information Technology

(in thousands)

Cost Category	2021 Annual Operating Budget ¹	YTD Actuals ²	This Action (Current Year Impact Only)	YTD Actuals Plus Action (Current Year Only)	Remaining Annual Operating Budget
Salaries and Benefits	\$18,908	\$7,171	\$	\$7,171	\$11,737
Services	10,982	3,865	200	4,065	6,917
Materials and Supplies	629	505		505	124
Utilities	818	444		444	374
Miscellaneous	168	31		31	138
Leases and Rentals					
Total Annual Operating Budget	\$31,503	\$12,014	\$200	\$12,214	\$19,289

*\$200,000 will be allocated to future department budgets

Information Technology (IT)

Project Phase	Authorized Project	Board Approvals	This Action	Board Approved	Uncommitted /
Operations and Maintenance	\$1,300	\$	\$1,005	\$1,005	\$295
Admin Capital	\$11,066	\$5,897		\$7,997	\$3,070
Agency Administration	10,726	214		214	10,512
Construction	23,751				23,751
Total Current Budget	\$46,843	\$6,111	\$1,005	\$9,216	\$37,627

Operations and Maintenance Phase	Authorized Project	Board Approvals	This Action	Board Approved	Uncommitted /
Hardware Procurement	\$1,100	\$	\$1,005	\$1,005	\$95
Other O&M	200				200
Total Current Budget	\$1,300	\$	\$1,005	\$1,005	\$295

Contract Detail	Board Approved Contract Value	Proposed Action	Proposed Revised Board Approved Contract Value
Dell Marketing L.P.	\$8,095	\$1,405	\$9,500
Contingency	-	-	-
Contract Amount - Total	\$8,095	\$1,405	\$9,500
Estimated Tax	818	142	960
Percent Contingency	0%	0%	0%

Notes:

¹2021 Annual Operating Budget is located on page 70 of the Adopted 2021 Budget book.

²YTD Actuals as of May 31, 2021.

³Spending to Date as of May 31, 2021.

Disadvantaged and small business participation

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

Time constraints

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

Prior Board/Committee actions

Motion No. M2019-11: Authorized 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 \$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 modification 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 modification 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 6/17/21

Legal review – AJP 6/25/21



Motion No. M2021-39

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 \$1,405,109 for a total authorized contract amount not to exceed \$9,500,000, plus applicable taxes.

Background

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The requested funds are intended to provide continued services through the July 2022 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 \$959,500.

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 \$1,405,109 for a total authorized contract amount not to exceed \$9,500,000, 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 July 1, 2021.



Paul Roberts
Rider Experience and Operations Chair

Attest:



Kathryn Flores
Board Administrator