



Motion No. M2020-50

Contract Modification with Right! Systems, Inc., for IT Services

Meeting:	Date:	Type of action:	Staff contact:
Rider Experience and Operations	09/03/2020	Final Action	Jason Weiss, Chief Information Officer Gaurav Nayyar, Deputy Project Director-IT Operations

Proposed action

Authorizes the chief executive officer to execute a contract modification with Right! Systems, Inc., in the amount of \$1,000,000 for CISCO telephony equipment, network equipment, software and hardware maintenance services through May 2021 for a new total authorized contract amount not to exceed \$8,481,022, plus applicable taxes.

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.
- This action extends the contract term through May 31, 2021, to match the Washington State Department of Executive Services master contract 01114. The additional funds will cover planned expenditures for 2020 and early 2021, until the contract expires on May 31, 2021.
- Using the DES Master Contract saves Sound Transit 20 to 50 percent depending on which product or service is purchased.
- The original contract was authorized by the Operations and Administration Committee in June 2015 for \$2,500,000. It was further modified by the Operations and Administration Committee in May 2017 to increase the contract to \$6,353,500. In February 2019, the contract was modified to extend the Term and increase the contract to \$7,481,022. The current Term expires on September 30, 2020.
- Sound Transit will use this contract to:
 - Purchase new desk phones, CISCO servers, and software.
 - Purchase new hardware for approved agency projects for Sound Transit employees and consulting staff.
 - Procure maintenance renewals for CISCO network equipment, servers, and software.
- Applicable taxes on the full modified contract are currently estimated to be \$856,583.

Background

Sound Transit has been using CISCO products for over ten 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 2021.

This contract includes sufficient authority to cover procurement needs for desk phones, network equipment, and software to support the agency network. The scope of services provided by Information Technology includes the Operations network systems under the Operational Technology group. 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.

Procurement information

Sound Transit has a cooperative agreement with Department of Enterprise Services (DES) to piggyback on the Washington State (DES) Master Contract (#01114) with Right! Systems, Inc. for CISCO hardware and software, network equipment, software, and hardware maintenance services. The master contract was competitively sourced. The current Term for the master contract is through May 31, 2021.

Fiscal information

This action executes a contract modification with Right! Systems, Inc. for an additional \$1,000,000 plus applicable taxes to purchase equipment, software, and related hardware maintenance. The contract modification includes funding from the Information Technology (IT) Infrastructure program, the Information Technology (IT) and Operations departments for a total authorized amount not to exceed \$8,481,022 plus applicable taxes.

The IT Infrastructure program budget is \$46,842,784. Within that amount, \$9,765,699 has been allocated to the admin capital phase. The proposed action would commit \$200,000 and leave a remaining budget balance of \$4,629,692. The proposed action will also be funded from the materials and supplies category within the IT department's annual operating budget. The materials and supplies category budget is \$1,997,835 of which a total of \$350,000 is estimated to be spent in 2020. The proposed action will also be funded from the material and supplies category within the Operations Department's annual operating budget. The materials and supplies category budget is \$11,210,295 of which a total of \$300,000 is estimated to be spent in 2020.

Future year expenses will be included in subsequent annual budgets submitted to the Board for adoption.

Contract Detail 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	\$4,863	\$4,863	\$200	\$5,063
Contract Amounts -Information Technology and Operations Departments	\$2,618	\$2,618	\$800	\$3,418
Estimated Taxes	\$756	\$756	\$101	\$857
Contingency Amount	-	-	-	-
Total Contract (plus estimated taxes)	\$8,237	\$8,237	\$1,101	\$9,338
Percent Contingency	0%	0%	0%	0%

Information Technology (IT) Infrastructure Program

Project Phase	Authorized Project Allocation	Board Approvals	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Admin Capital	\$9,766	\$4,936	\$200	\$5,136	\$4,630
Agency Administration	12,652	133		133	12,518
Construction	24,426				24,426
Total Current Budget	\$46,843	\$5,069	\$200	\$5,269	\$41,574

Notes:

Board Approvals = Committed To-Date + Contingency as of July 2020 and includes pending Board actions.

Information Technology Department

Cost Category	2020 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	\$17,195	\$9,890	\$	\$9,890	\$7,305
Services	11,338	5,210		5,210	6,128
Materials and Supplies	1,998	309	350	659	1,339
Utilities	1,088	473		473	615
Miscellaneous	261	50		50	211
Leases and Rentals	536	224		224	312
Total Annual Operating Budget	\$32,415	\$16,155	\$350	\$16,505	\$15,910

Notes:

1 2020 Annual Operating Budget is located on page 67 of the 2020 Financial Plan & Adopted Budget.

2 Actuals as of July 31, 2020.

Operations Department

Cost Category	2020 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	\$26,635	\$15,952	\$	\$15,952	\$10,683
Services	43,092	22,541		22,541	20,551
Materials and Supplies	11,210	5,473	300	5,773	5,437
Utilities	6,363	3,081		3,081	3,281
Taxes	3,086	1,181		1,181	1,906
Purchased Transportation	193,296	105,392		105,392	87,904
Miscellaneous	553	210		210	343
Leases and Rentals	2,347	1,358		1,358	989
Total Annual Operating Budget	\$286,583	\$155,188	\$300	\$155,488	\$131,094

Notes:

1 2020 Annual Operating Budget is located on page 67 of the 2020 Financial Plan & Adopted Budget.

2 Actuals as of July 31, 2020.

Disadvantaged and small business participation

Participation by small businesses and disadvantaged business enterprises (DBEs)

Sound Transit promotes and encourages small business participation, which also includes disadvantaged business enterprises (DBEs). Small business and DBE goals are based upon an examination of subcontracting opportunities contained in the work of this contract and the number of small businesses/DBEs available to perform such subcontracting work. 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. M2019-10: Authorized the chief executive officer to execute a contract modification with Right! Systems, Inc. in the amount of \$1,700,000 to provide additional funding to purchase CISCO telephony equipment, network equipment, software, and hardware maintenance services through May 2019 and to fund an expected contract extension through May 2020 for a new total authorized contract amount not to exceed \$7,481,022 plus applicable taxes.

Motion No. M2017-67: Authorized 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.

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 – KH 8/18/20

Legal review – AJP 8/28/2020



Motion No. M2020-50

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 Right! Systems, Inc., in the amount of \$1,000,000 for CISCO telephony equipment, network equipment, software and hardware maintenance services through May 2021 for a new total authorized contract amount not to exceed \$8,481,022, plus applicable taxes.

Background

Sound Transit has been using CISCO products for over ten 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 2021.

This contract includes sufficient authority to cover procurement needs for desk phones, network equipment, and software to support the agency network. The scope of services provided by Information Technology includes the Operations network systems under the Operational Technology group. 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 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 Right! Systems, Inc., in the amount of \$1,000,000 for CISCO telephony equipment, network equipment, software and hardware maintenance services through May 2021 for a new total authorized contract amount not to exceed \$8,481,022, 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 September 3, 2020.



Paul Roberts
Rider Experience and Operations Committee Chair

Attest:



Kathryn Flores
Board Administrator