

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2006-84

Contract for Hardware Maintenance and Procurement Services

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	12/07/06	Discussion/Possible Action	Brian McCartan, Chief Financial Officer Kevin Crawford, IT Division Manager	(206) 398-5082 (206) 398-5137

Contract/Agreement Type:	<input checked="" type="checkbox"/>	Requested Action:	<input checked="" type="checkbox"/>
Using other Agency Competitive Contracts	<input checked="" type="checkbox"/>	Execute New Contract/Agreement	<input checked="" type="checkbox"/>
Sole Source		Amend Existing Contract/Agreement	
Agreement with Other Jurisdiction(s)		Budget Amendment	

PROJECT NAME

Annual Contract with Dell for 2007

PROPOSED ACTION

Authorizes the chief executive officer to execute a contract with Dell, Inc. to provide hardware maintenance and procurement services for agency-wide technology projects for a total authorized contract amount not to exceed \$678,000.

KEY FEATURES of PROPOSED ACTION

- Procurements will include the replacement of aging hardware and purchase new hardware for approved agency projects.
 - Aged hardware replacement, include workstations, monitors and servers as follows:
 - Workstation: 3 Years
 - Monitor: 3 Years
 - Server: 3 – 5 Years
 - Hardware requirements for projects approved by Sound Transit’s Technology Steering Committee.
- This contract piggy-backs on the Western States Contracting Alliance (WSCA) for Dell Business Solutions Hardware. Using the agreement allows Sound Transit to take advantage of a 15% to 40% discount afforded by this multi-agency procurement mechanism.
- Sound Transit has procured technology hardware through a similar method for the past three years; each with an annual contract to cover the year’s expected expenses.

BUDGET IMPACT SUMMARY

There is no action outside of the Board-adopted budget; there are no contingency funds required, no subarea impacts, or funding required from other parties other than what is already assumed in the financial plan.

BUDGET and FINANCIAL PLAN DISCUSSION

The proposed action is consistent with the current adopted budget and is affordable within the agency's long-term financial plan and subarea financial capacity. The action will have no new revenue impact on Sound Transit.

- The Dell contract includes both capital and expense procurements. Procurements will be charged to IT, Department and Project budgets (included in Proposed 2007 Budget).
 - IT Capital: \$285,000
 - IT Expense: \$248,000
 - Department: \$ 80,000 (peripheral equipment requested by Department)
 - Project: \$ 65,000 (peripheral equipment requested for Project)

Expenditures for this contract are charged to three separate budgets:

- The administrative capital budget of \$668K includes the \$285K needed for this contract (this budget can be found on page 204 in the Proposed 2007 Budget Book).
- The staff department budget for small equipment and furniture of \$659K includes the \$328K needed for this contract (this budget can be found on page 166 in the Proposed 2007 Budget Book).
- The project administrative phase budget of \$52,693M includes the \$65K needed for this contract (The administrative phase budget for Link Light Rail, Sounder, and Regional Express can be found on pages 87, 105, and 131, respectively, in the Proposed 2007 Budget).

BUDGET TABLE

Summary for Board Action (Year of Expenditure \$000)

Action Item: Contract for Information Technology Equipment (Dell)

	(A) Current Approved Contract Value	(B) Spent to Date	(C) Proposed Action	(D) Proposed Total Contract Value
1 Contract Budget				
1 Admin Capital	-	-	\$ 285	\$ 285
2 IT Expense	-	-	\$ 248	\$ 248
3 Department Expense	-		\$ 80	\$ 80
4 Project Expense	-		\$ 65	\$ 65
5 Total	-	-	\$ 678	\$ 678

Contract to be Charged to:

	2007 Staff Budget	Spent to Date in 2007	This Action	2007 Surplus (Shortfall)
6 Administrative Capital	\$ 668	\$ -	\$ 335	\$ 333

	2007 Proposed Staff Budget	Spent to Date in 2007	This Action for 2007	2007 Surplus (Shortfall)
7 Small Equipment/Furniture	\$ 659		\$ 365	\$ 294

	2007 Proposed Project Budget	Spent to Date in 2007	This Action for 2007	2007 Surplus (Shortfall)
8 2007 Administrative Phase Project Budgets				
8 Administrative Phase	\$ 52,693	\$ -	\$ 378	\$ 52,315

Notes

- 6 The Administrative Capital Budget can be found on page 204 of the Proposed 2007 Budget.
 7 The Small Equipment and Furniture Staff Budget can be found on page 166 of the Proposed 2007 Budget.
 8 The Administrative Phase Budget for Link Light Rail, Sounder, and Regional Express can be found on pages 87, 105, and 131 respectively of the Proposed 2007 Budget.

M/W/DBE – SMALL BUSINESS PARTICIPATION

Prime Consultant/Contractor

This contract “piggy-backs” onto the Western States Contracting Alliance (WSCA) contract for Dell Business Solutions Hardware. As such, goals for participation were not established by Sound Transit. Due to the nature of this procurement, it is also unlikely that subcontracting was reasonably achievable as the products are purchased from and delivered directly by Dell.

EEO Commitment

Dell is committed to Equal Employment Opportunity and Affirmative Action. Of its nationwide workforce reported in its 2005 Employer Information Report of 25,604 employees, 8,254 (32.2%) are people of color, and 7,816 (30.5%) are women.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

This action will authorize the chief executive officer to execute a contract with Dell to provide hardware maintenance and procurement services for agency-wide technology projects approved by Sound Transit's Technology Steering Committee for 2007.

The proposed contract piggy-backs on the Western States Contracting Alliance (WSCA) for Dell Business Solutions Hardware. Using the agreement allows Sound Transit to take advantage of a 15% to 40% discount afforded by this multi-agency procurement mechanism.

Sound Transit has procured technology hardware through a similar method for the past three years; each with an annual contract to cover the year's expected expenses.

CONSEQUENCES of DELAY

A delay in approval of the contract will prevent the IT division from being able to pay for maintenance and/or procurement of any of the above hardware/systems as required by the agency. The Agency will also lose maintenance support for current hardware/systems. Resumption of maintenance support after a lapse will incur significant penalties.

PUBLIC INVOLVEMENT

Not applicable to this action.

ENVIRONMENTAL COMPLIANCE

Not applicable to this action.

LEGAL REVIEW

JW 11/30/06

SOUND TRANSIT

MOTION NO. M2006-84

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract with Dell, Inc. to provide hardware maintenance and procurement services for agency-wide technology projects for a total authorized contract amount not to exceed \$678,000.

Background:

This action will authorize the chief executive officer to execute a contract with Dell to provide hardware maintenance and procurement services for agency-wide technology projects approved by Sound Transit's Technology Steering Committee for 2007.

The proposed contract piggy-backs on the Western States Contracting Alliance (WSCA) for Dell Business Solutions Hardware. Using the agreement allows Sound Transit to take advantage of a 15% to 40% discount afforded by this multi-agency procurement mechanism.

Sound Transit has procured technology hardware through a similar method for the past three years; each with an annual contract to cover the year's expected expenses.

Motion:


It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a contract with Dell, Inc. to provide hardware maintenance and procurement services for agency-wide technology projects for a total authorized contract amount not to exceed \$678,000.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on December 7, 2006.



Fred Butler
Finance Committee Chair

ATTEST:



Marcia Walker
Board Administrator