

MOTION NO. M2018-95

Technology Software, Hardware and Related Maintenance Services

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Operations and Administration Committee	08/02/2018	Final Action	Mike Harbour, Deputy CEO Jason Weiss, Chief Information Officer Curtis Small, Director IT Applications

PROPOSED ACTION

Authorizes the chief executive officer to execute a contract through February 2023 with two one-year options to extend with SHI International Corp. to provide technology software, hardware, and related maintenance services in the amount of \$1,000,000 plus applicable taxes.

KEY FEATURES SUMMARY

- Sound Transit will enter into a "piggy-back" contract based on the National Intergovernmental Purchasing Alliance Company (National IPA) Master Contract with SHI International Corp. (SHI) to provide a variety of items and services offered in the technology catalog including, but not limited to:
 - The replacement of aging small hardware and peripherals (such as keyboards and mice);
 - 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 action would authorize and fund the contract through February 2023. If funding is required
 for the two one-year options, staff would return to the committee with a request for additional
 funding.
- Using the National IPA competitively procured contract allows Sound Transit to take advantage of a significant discount afforded by this cooperative procurement mechanism.
- Applicable taxes are currently estimated to be \$101,000.

BACKGROUND

Sound Transit would like to execute a contract under the National IPA Master Contract with SHI International Corp. (SHI) to procure a variety of items and services offered by the Information Technology Department. The Sound Transit Information Technology department uses a number of vendors to provide technology software, hardware, and related maintenance services to ensure that we are able to procure items in a timely manner and at the best price available to the agency.

SHI's competitive pricing as competed under the National IPA contract will allow Sound Transit to take advantage of the consolidated purchasing power of this procurement mechanism and purchase small peripherals, software maintenance and new software licenses to meet the agency's needs and maximize the agency's overall budget for these purchases. The requested funding under this proposed action will provide funds through February 2023, and the Information Technology department will return for additional funding in 2023 if the final extensions are executed by National IPA.

PROCUREMENT INFORMATION

The Master Contract, Contract No. 2018011-02, was competitively procured by the City of Mesa, AZ. The original solicitation was publicly advertised in 16 media outlets. 11 firms responded to the original solicitation and were evaluated based on the following criteria:

- 1. Firm's Proposed Solution (500 points),
- 2. Firm's Qualifications and Experience (300 points), and
- 3. Firm's Proposed Pricing (200 points).

SHI received the highest score among all offerors and was determined to offer the best value - price and other factors considered - to the principal procurement agency.

FISCAL INFORMATION

The proposed action will be funded from the services and materials and supplies categories within the Finance and Information Technology Department's annual operating budget. The services category budget is \$13,821,747 of which a total \$131,000 is estimated to be spent for this contract in 2018. The material and supplies category budget is \$1,875,646 of which a total of \$20,800 is estimated to be spent for this contract in 2018. Both are within the agency's budget authority. After approval of this action, the remaining annual budget amount will be used to fund other department expenditures in 2018.

Funding for the additional years of the contract will be included in future annual budget requests.

Finance and Information Technology

(in thousands)

	2018 Annual		This Action (Current Year	YTD Actuals Plus Action (Current	Remaining Annual
Cost Category	Operating Budget ¹	YTD Actuals ²	Impact Only)	Year Only)	Operating Budget
Salaries and Benefits	\$27,467	\$11,730	\$	\$11,730	\$15,737
Services	13,822	5,659	131	5,790	8,031
Materials and Supplies	1,876	838	21	859	1,017
Utilities	1,068	462		462	606
Insurance	8,533	2,944		2,944	5,589
Miscellaneous	430	267		267	163
Interest Expense	18	2		2	16
Leases and Rentals	466	253		253	213
Total Annual Operating Budget	\$53,679	\$22,154	\$152	\$22,306	\$31,373

		Forecasted Spend for Remainder of				
	Contract Spending Plan	Spending to Date ³	2018	Future Spending	Total	
_	SHI International Corp	\$	\$152	\$949	\$1,101	
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	Contract Detail	Board Approved Contract Value	Drawaged Action	Proposed Revised Board Approved Contract Value
	Contract Detail	Contract value	Proposed Action	Contract value
	SHI International Corp	\$	\$1,000	\$1,000
	Contingency			
	Estimated Taxes		101	101
٠	Contract Amount - Total	\$	\$1,101	\$1,101
	Percent Contingency	0%	0%	0%

Notes:

¹ 2018 Annual Operating Budget is located on page 25 of the Adopted 2018 Budget book.

² YTD Actuals as of June 30, 2018.

³ Spending to Date as of June 30, 2018.

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 National IPA Master Contract with SHI International Corp., goals for participation were not established by Sound Transit. However, it can be noted that SHI is a 100 percent minority owned company and member of the National Minority Supplier Development Council (NMSDC).

PUBLIC INVOLVEMENT

Not applicable to this action.

TIME CONSTRAINTS

A one-month delay would not impact support services from the vendor

ENVIRONMENTAL REVIEW

KH 7/20/2018

LEGAL REVIEW

AJP 7/27/2018



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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 through February 2023 with two one-year options to extend with SHI International Corp. to provide technology software, hardware, and related maintenance services in the amount of \$1,000,000 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 through February 2023 with two one-year options to extend with SHI International Corp. to provide technology software, hardware, and related maintenance services in the amount of \$1,000,000 plus applicable taxes.

APPROVED by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held August 2, 2018.

Paul Roberts

Operations and Administration Committee Chair

ATTEST:

Kathryn Flores Board Administrator

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