



Motion No. M2019-10

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

| Meeting: | Date: | Type of action: | Staff contact: |
|---|------------|-----------------|--|
| Rider Experience & Operations Committee | 02/07/2019 | Final action | Michael Harbour, Deputy CEO Jason Weiss, Chief Information Officer |

Proposed action

Authorizes 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.

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.
- Using the DES Master Contract allows Sound Transit to take advantage of a 20 to 50 percent discount.
- DES is expected to extend the term of the master contract to May 2020. The additional funds will cover planned expenditures for 2019 and fund the contract through the new expiration date of May 2020. If the master contract is not extended, the additional money for the contract option will not be expended.
- 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, amounts inclusive of applicable taxes. The current extension expires May 2019.
- 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 \$744,021.

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 2020.

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 is using a Washington State Department of Enterprise Services (DES) Master Contract (#01114) with Right! Systems, Inc. for CISCO hardware and software, network equipment, software, and hardware maintenance services. DES is expected to extend the term of the master contract from May 2019 to May 2020.

Fiscal information

This action executes a contract modification with Right! Systems, Inc. for an additional \$1,700,000 plus applicable taxes to purchase equipment, software, and related maintenance services. The contract modification includes funding from both the Information Technology (IT) Infrastructure program and the Information Technology (IT) department for a total authorized amount not to exceed \$7,481,022 plus applicable taxes.

The IT Infrastructure program budget is \$13,762,144. Within that amount, \$6,120,469 has been allocated to the admin capital phase. The proposed action would commit \$1,216,605 and leave a remaining budget balance of \$2,093,216.

The proposed action will be funded from the services and materials and supplies categories within the IT department's annual operating budget. The services category budget is \$11,622,879 of which a total of \$27,525 is estimated to be spent in 2019. The materials and supplies category budget is \$2,792,754 of which a total of \$137,625 is estimated to be spent in 2019. 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 | \$3,758 | \$3,758 | \$1,105 | \$4,863 |
| Contract Amounts -Information Technology Department | \$2,023 | \$2,023 | \$595 | \$2,618 |
| Estimated Taxes | \$572 | \$572 | \$172 | \$744 |
| Contingency Amount | - | - | - | - |
| Total Contract (plus estimated taxes) | \$6,353 | \$6,353 | \$1,872 | \$8,225 |
| 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 | \$6,120 | \$2,811 | \$1,217 | \$4,027 | \$2,093 |
| Agency Administration | 142 | 2 | | 2 | 139 |
| Construction | 7,500 | | | | 7,500 |
| Total Current Budget | \$13,762 | \$2,813 | \$1,217 | \$4,030 | \$9,733 |

Notes:

Board Approvals = Committed To-Date + Contingency as of January 2019 and includes pending Board actions.
For detailed project information, see page 223 in the 2019 Financial Plan & Proposed Budget. The budget amount above reflects the adopted authorized project allocation.

Information Technology Department

| Cost Category | 2019 Proposed Operating Budget¹ | YTD Actuals² | This Action (Current Year Impact Only) | YTD Actuals Plus Action (Current Year Only) | Remaining Annual Operating Budget |
|--------------------------------------|---|--------------------------------|---|--|--|
| Salaries and Benefits | \$16,505 | \$556 | \$ | \$556 | \$15,949 |
| Services | 11,623 | 347 | 28 | 374 | 11,249 |
| Materials and Supplies | 2,793 | 19 | 138 | 157 | 2,636 |
| Utilities | 1,086 | 60 | | 60 | 1,026 |
| Miscellaneous | 256 | 8 | | 8 | 249 |
| Leases and Rentals | 506 | 54 | | 54 | 451 |
| Total Annual Operating Budget | \$32,769 | \$1,045 | \$165 | \$1,210 | \$31,560 |

Notes:

- 1 2019 Proposed Operating Budget is located on page 84 of the 2019 Financial Plan & Proposed Budget .
- 2 Estimated actuals as of January 28, 2019.

Small business/DBE participation, apprenticeship utilization

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.

Sound Transit determined that there were few small business and DBE subcontracting opportunities based upon the work described in this contract, so small business/DBE goals were not established.

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. 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 1/23/19

Legal review – AJP 2/1/19

Motion No. M2019-10

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 \$1,700,000 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.

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 2020.

DES is expected to extend the term of the master contract to May 2020. The additional funds will cover planned expenditures for 2019 and fund the contract through the new expiration date of May 2020. If the master contract is not extended, the additional money for the contract option will not be expended.

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.

Motion

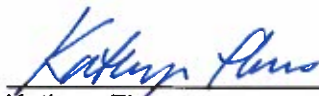
It is hereby moved by the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a contract modification with Right! Systems, Inc. in the amount of \$1,700,000 to provide additional funding to purchase 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.

APPROVED by the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on February 7, 2019.



Paul Roberts
Rider Experience and Operations Chair

Attest:



Kathryn Flores
Board Administrator