



Motion No. M2019-11

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

Meeting:	Date:	Type of action:	Staff contact:
Rider Experience and 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 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.

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 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 significant discounts on various goods and services.
- Using the NASPO contract allows Sound Transit to take advantage of a 15 to 40 percent discount afforded by this multi-agency procurement mechanism.
- Sound Transit has procured technology software and hardware through a similar method for the past 15 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 March 2020 expiration of the current NASPO contract. Factors which could change the forecast would include the additional datacenter capacity and hiring of staff and consultants above plan.
- 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. It was further modified by the Operations and Administration Committee in April 2017 to increase the contract to \$5,058,975, amounts inclusive of applicable taxes.
- Applicable taxes on the full modified contract are currently estimated to be \$817,584.

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 March 2020.

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 March 2020. 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

Sound Transit determined that the best method to procure the needed products and services was under the State of Washington piggyback agreement via the Washington DES. This is a competitively procured contract for the requested items. By piggybacking, Sound Transit can take advantage of volume discounts due to greater purchasing power. The DES contract includes rigorous supplier commitments to ensure supplier partners offer their best supplier government pricing which allows Sound Transit to take advantage the discount afforded by this multi-agency procurement mechanism.

Sound Transit does not require any changes or modification to be made to the contract or the deliverables that will be purchased under this piggyback.

Fiscal information

The proposed action will modify the current contract by \$3,500,000 for a new total authorized contract amount not to exceed \$8,094,891, plus applicable taxes and will be funded from the services and material and supplies categories within the Information Technology Department's annual operating budget. The services category budget is \$11,622,879 of which a total \$150,000 is estimated to be spent for this contract in 2019. The material and supplies category budget is \$2,792,754 of which a total of \$2,350,000 is estimated to be spent for this contract in 2019.

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

Information Technology

(in thousands)

Cost Category	2019 Annual Operating Budget ¹	2019 YTD Actuals ²	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	150	497	11,126
Materials and Supplies	2,793	19	2,350	2,369	423
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	\$2,500	\$3,545	\$29,225

Contract Spending Plan	Forecasted Spend for Remainder of			Total
	Spending to Date ³	2019	Future Spending	
Dell Marketing L.P.	\$4,494	\$2,500	\$1,918	\$8,912

Contract Detail	Board Approved Contract Value	Proposed Action	Proposed Revised Board Approved Contract Value
Dell Marketing L.P.	\$4,595	\$3,500	\$8,095
Contingency			
Estimated Taxes	464	354	818
Contract Amount - Total	\$5,059	\$3,854	\$8,912
Percent Contingency	0%	0%	0%

Notes:

¹ 2019 Proposed Operating Budget is located on page 84 of the 2019 Financial Plan & Proposed Budget book.

² Estimated actuals as of January 28, 2019.

³ Spending to Date as of January 28, 2019.

Small business/DBE participation, apprenticeship utilization, and Title IV

Sound Transit promotes and encourages small business participation, which also includes Disadvantaged Business Enterprises (DBEs). Because this contract "piggy-backs" onto the National Association of State Procurement Officials (NASPO) ValuePoint Master Contract with Dell Marketing L.P., goals for participation were not established by Sound Transit.

Public involvement

Not applicable to this action.

Time constraints

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

Prior Board/Committee actions

Motion No. M2017-44: Authorized the chief executive officer to execute a contract amendment 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 amendment 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 1/2/2019

Legal review – AJP 2/1/19

Motion No. M2019-11

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 \$3,500,000 for a total authorized contract amount not to exceed \$8,094,891, plus applicable taxes.

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 March 2020.

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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 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..

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