



**FINANCE & BUDGET COMMITTEE
AUGUST 19, 2004**

SUBJECT: ACQUISITION OF COMPUTER HARDWARE, SOFTWARE AND SERVICES

ACTION: APPROVE ACQUISITION OF COMPUTER HARDWARE, SOFTWARE AND SERVICES THROUGH THE STATE OF CALIFORNIA COMPUTER STORE

RECOMMENDATION

Authorize the Chief Executive Officer to utilize competitive contracts awarded by the State of California under Public Contract Code § 10298, Section 4, to CompuCom Systems Inc., GE IT Solutions, and Marketware Technologies, and their successors, to acquire computer hardware, software and services for a five-year period for a total expenditure not to exceed \$12,000,000, subject to funding availability effective September 1, 2004.

RATIONALE

Since 1999, Metro has significantly increased its use of computers to streamline and automate many of its business processes and functions to increase efficiency and reduce cycle time. Due to the dependence on computer technology to support its business operations, a replenishment process has been established to optimize and maintain the effective operation of Metro's inventory of computers, servers and network equipment and supporting software applications. Non-replacement of aging computer hardware and software systems will result in increased system unavailability affecting the ability of Metro to efficiently support its daily business operations, such as transit operations, vehicle maintenance, inventory management, human resources, and procurement.

The anticipated first year expenditure reflects the approved FY05 budget inclusion of \$1,750,000 for computer hardware and software. The Capital Project budget includes \$1,400,000 for computer equipment appropriated for scheduled replacement of approximately 750 PCs, 35 servers and 125 printers that were purchased in 1999. In addition, 150 PCs will be purchased to support the expanded Bus Operations Training Program and a storage network device and a new tape backup system will be purchased to support the Agency's disaster recovery program. The Operating Budget includes \$350,000 for computer equipment parts and supplies, such as disk drives, monitors, and memory chips. Subsequent year expenditures will be subject to the appropriated funding in the approved annual budget.

In May 1999, Board approved staff's recommendation to utilize the State of California Computer Store, for a five-year period, to streamline its computer acquisitions by leveraging the State's buying power to obtain lower pricing and lower its administrative costs. Based on the reduced acquisition cycle time and competitive volume pricing achieved, staff is recommending continued use of the State of California Computer Store as a procurement vehicle for computer equipment, software and services.

FINANCIAL IMPACT

Funding in the amount of \$1,750,000 is included in the FY05 budget in cost center 9210, ITS-Information Management, under project 200020, Systems Projects and project 100030, Operations Projects, account 50316, Professional and Technical Services, account 50432, Computer Equipment and Supplies, and 53102, acquisition of equipment.

ALTERNATIVES CONSIDERED

The alternative is to formally compete individual procurements via sealed bids or Requests For Proposal (RFP). This process is more expensive and redundant, in terms of time and effort, when compared to the benefits of utilizing vendors already selected under a competitive contracting process conducted by the State of California.

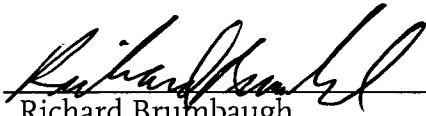
COST/PRICE ANALYSIS

Pricing actions under this procurement are considered fair and reasonable based on adequate competition established through the State Of California contracting process.

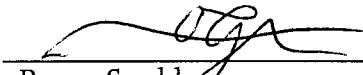
ATTACHMENT(S)

A. Procurement Summary

Prepared by: Elizabeth Bennett
Chief Information Officer



Richard Brumbaugh
Chief Financial Officer



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

ACQUISITION OF COMPUTER HARDWARE, SOFTWARE AND SERVICES

1.	Contract Number: N/A		
2.	Recommended Vendor: State of California Computer Store: CompuCom Systems Inc., Sacramento, CA, GE IT Solutions, Irvine, CA, Marketware Technologies, Sacramento, CA		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$ N/A	Recommended Price: \$ N/A	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Firm, Fixed Price		
5.	Procurement Dates:		
	A. Issued: N/A		
	B. Advertised: N/A		
	C. Pre-proposal Conference: N/A		
	D. Proposals Due: N/A		
	E. Pre-Qualification Completed: N/A		
	F. Conflict of Interest Form Submitted to Ethics:		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 15%, Minority Business Enterprise 5%, Women Business Enterprise 3%, Veteran Business Enterprise	Date Small Business Evaluation Completed: N/A	
	Small Business Commitment: 15%, Minority Business Enterprise 5%, Women Business Enterprise 3%, Veteran Business Enterprise		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: Include no. sent N/A	Bids/Proposals Picked up: Include no. picked up or mailed N/A	Bids/Proposals Received: Include no. received N/A
8.	Evaluation Information:		
	A. Bidders/Proposers Names: N/A	<u>Bid/Proposal Amount:</u> \$ N/A	<u>Best and Final Offer Amount:</u> \$ N/A
	B. Evaluation Methodology: Describe Methodology Details are in Attachment A-1.C		

9.	Protest Information:	
	A. Protest Period End Date:	
	B. Protest Receipt Date:	
	C. Disposition of Protest Date:	
10.	Contract Administrator: Mark Lu	Telephone Number: 922-4689
11.	Project Manager: Elizabeth Bennett	Telephone Number: 922-4522

BOARD REPORT ATTACHMENT A-1 PROCUREMENT HISTORY

ACQUISITION OF COMPUTER HARDWARE, SOFTWARE AND SERVICES

A. Background on Contractor

CompuCom Systems Inc., Sacramento, CA,
GE IT Solutions, Irvine, CA,
Marketware Technologies, Sacramento, CA

These Contractors were qualified and selected by the State of California for the State Computer Store.

B. Procurement Background

The State of California recognized the need to streamline its computer acquisitions by leveraging the State's buying power to obtain lower pricing and lower its administrative costs. The Legislature agreed and amended the State Contracting Act (§ 10298, Section 4) to provide the State of California with the capability of procuring brand name computer equipment, software and related services. Subsequently, the General Services Administration of the State of California set-up the California State Computer Store to provide a wide variety of brand name equipment and software as well as consulting, training and maintenance services. This legislation also allows local agencies such as the MTA to acquire computer equipment and related hardware under these contracts. Use of State government contracts that allow subordinate governmental agencies to buy from established schedules is provided for under FTA Circular 4220.1E, 7.e.

The State of California issued DGS-4023B to identify vendors to operate the State of California Computer Stores as a purchasing vehicle for computer hardware, software training, technical and management consulting services to State agencies and local governments. Bids were received from six firms. Local agencies acquiring products and services through this agreement pay costs established by the contract plus a 1.21% fee to the California Department of General Services.

As a result of the competitive procurement process, contracts were awarded to CompuCom Systems, Inc., GE IT Solutions, and Marketware Technologies for a three-year period with a one-year option. The current contracts are valid until September 30, 2004, not including the one-year option which the State intends to execute. Under the terms of the contract, each firm is required to provide all current and new products produced by over 400 hardware and software vendors. Regular orders are delivered typically within 10 days of order. A prompt payment discount of 5% is available for payment within 20 days of delivery, which can offset the General Services Department management fee.

C. Evaluation of Proposals

The State of California evaluated and selected CompuCom Systems, Inc., GE IT Solutions, and Marketware Technologies for the State Computer Store.

D. Cost/Price Analysis Explanation of Variances

The recommended price schedule has been determined to be fair and reasonable based upon open competition conducted by the State of California

Bid/Proposal Amount	MTA Estimate	Recommended/Negotiated Amount
N/A	N/A	N/A

BOARD REPORT ATTACHMENT A-2

LIST OF SUBCONTRACTORS

ACQUISITION OF COMPUTER HARDWARE, SOFTWARE AND SERVICES

PRIME CONTRACTOR:

CompuCom Systems Inc., Sacramento, CA,
GE IT Solutions, Irvine, CA,
Marketware Technologies, Sacramento, CA

SMALL BUSINESS PARTICIPATION

The State of California's procurement no. DGS-4023B utilized in establishing the State Computer Store included Minority, Women and Disabled Veteran Business Enterprise (M/W/DVBE) participation goals of 15% for Minority Business Enterprise, 5% for Women Business Enterprise and 3% for Veteran Business Enterprise. Both selected firms complied with the M/W/DVBE participation goals. Therefore, in utilizing the State's Computer Store to purchase this equipment, contract specific goals are not required.