



Metro

**FINANCE & BUDGET COMMITTEE
JANUARY 18, 2006**

**SUBJECT: ACQUISITION OF COMPUTER HARDWARE, SOFTWARE
AND SERVICES**

**ACTION: APPROVE THE WESTERN STATES CONTRACTING ALLIANCE
MASTER PRICE AGREEMENT**

RECOMMENDATION

Authorize the Chief Executive Officer to utilize Western States Contracting Alliance (WSCA) Master Price Agreement to purchase computer equipment, software, peripherals, and related services under California Public Contract Code § 10298, Section 4, for a four-year period for a total expenditure not to exceed \$10,171,282 subject to funding availability effective February 1, 2006.

RATIONALE

On August 26, 2004, the Board of Directors approved the acquisition of computer hardware, software, and services through the State of California Computer Store for a five-year period beginning on September 1, 2004, in an amount not exceed \$12,000,000. In FY05, a total of \$1,828,718 was spent on the procurement of computer equipment through the Computer Store. On June 30, 2005, the State of California Computer Store contract expired and was not renewed by the State of California as it determined that the Computer Store contract and the WSCA contract were redundant. This recommendation requests use of the WSCA Master Price Agreement in lieu of the Computer Store contract for the remaining four-year period.

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 related 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.

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 a procurement vehicle to achieve these objectives. The WSCA Master Price Agreement provides similar advantages and comparable prices.

The FY06 capital project budget includes \$1,467,170 for computer equipment appropriated for scheduled replacement of approximately 250 PCs, 35 servers, 125 printers and related networking equipment, that were purchased in 1999–2000. The Operating Budget includes \$150,000 for computer equipment parts and supplies, such as disk drives, monitors, and memory chips; and \$580,000 for enterprise desktop software. \$792,301 has already been spent in FY06; the remaining balance is available for this new agreement.

FINANCIAL IMPACT

The funding of \$1,404,869 for this agreement is included in the FY06 budget in cost center 9220, ITS–Operations and Service Delivery, under project 207022, Workstation and Network Technology Refresh Project and project 100030, Operations Projects, account 50432, Computer Equipment and Supplies. Funding is also included in cost center 9230, ITS—Systems Architecture and Technology Integration, under project 100030, account 50308, Contract Maintenance Services. Since this is a multi-year project, the Project Manager and Chief Information Officer are responsible for budgeting the cost in future years.

ALTERNATIVES CONSIDERED

The alternative is to formally compete individual procurements via 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.

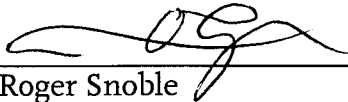
ATTACHMENT(S)

- A. Procurement Summary
- A-1. Procurement History
- A-2. List of Subcontractors

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Chief Information Officer



Lonnie Mitchell
Executive Officer
Procurement and Material Management



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: See Attachment A-2		
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: 0%	Date Small Business Evaluation Completed: N/A	
	B. Small Business Commitment 0% Details are in Attachment A-2		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: N/A	Bids/Proposals Picked up: N/A	Bids/Proposals 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

Dell Marketing L.P., Round Rock, TX,
Gateway Country, N. Sioux City, SD,
Hewlett-Packard Company, Houston, TX,
Howard Computers, Laurel, MS,
International Business Machines Corporation (IBM), Sacramento, CA,
Konica Minolta Printing Solutions, Mobile, AL,
Kyocera Mita America, Fairfield NJ,
MPC-G, LLC, Nampa, ID,
Lexmark international, Lexington, KY,
Xiotech Corporation, Eden Prairie, MN

These Contracts were qualified and selected by State of California for the Western State Contracting Alliance (WSCA) Master Price Agreement.

B. Procurement Background

The Western States Contracting Alliance (WSCA) was formed in October 1993 by the state purchasing directors from fifteen western states. The primary purpose is to establish the means by which participating states may join together in cooperative multi-State contracting in order to achieve cost-effective and efficient acquisition of quality products and services. The fifteen western states are Alaska, Arizona, California, Colorado, Hawaii, Idaho, Minnesota, Montana, Nevada, New Mexico, Oregon, South Dakota, Utah, Washington and Wyoming.

The purpose of this WSCA Master Price Agreement is to provide a purchasing vehicle for Computer Equipment, Software, Peripherals and Related Services for all State Agencies and local government agencies, which is any city, county, district or other governmental body empowered to spend public funds per California Public Contract Code Section 12110. Depending on the contractor's award, as identified in the Master Price Agreement, the following equipment may be covered: Computer Equipment, Software, Peripherals and Related Services.

California State Public Contract Code § 10298 allows local agencies such as Metro to acquire computer hardware, software and related services under the State's Mater Price Agreements. Use of State government contract that allow subordinate governmental agencies to buy from established schedules is provided for under FTA Circular 4220.1E, 7.e.

C. Evaluation of Proposals

The State of California evaluated and selected the contractors listed under Section A above through the competitive procurement process.

D. Cost/Price Analysis Explanation of Variances

The recommended price 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

Dell Marketing L.P., Round Rock, TX
Gateway Country, N. Sioux City, SD
Hewlett-Packard Company, Houston, TX
Howard Computers, Laurel, MS
International Business Machines Corporation (IBM), Sacramento, CA
Konica Minolta Printing Solutions, Mobile, AL
Kyocera Mita America, Fairfield NJ
MPC-G, LLC, Nampa, ID
Lexmark international, Lexington, KY
Xiotech Corporation, Eden Prairie, MN

Small Business Commitment

Small Business Commitment

Other Subcontractors

0% Goal

None

Total Commitment: 0%

