

**Board Report**

File #: 2019-0873, **File Type:** Contract**Agenda Number:** 42.

**EXECUTIVE MANAGEMENT COMMITTEE
JANUARY 16, 2020****SUBJECT: ACQUISITION OF COMPUTER HARDWARE, SOFTWARE AND SERVICES
ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to utilize the National Association of State Procurement Officials (NASPO) cooperative purchase program to purchase computer and network equipment, peripherals, and related software and services, for a five-year period for a total expenditure not-to-exceed \$30,000,000, subject to funding availability effective Feb 1, 2020.

ISSUE

In July 2014, the Board of Directors approved the acquisition of computer hardware, software, and services through the Western States Contracting Alliance (WSCA) Master Price Agreement, for a five-year period beginning on Aug 1, 2014, in an amount not-to-exceed \$22,500,000. The Board of Directors approval has expired. The contract was successfully utilized over the last five years. As of July 2019, 124 awards were executed and a total of \$20,400,992.11 had been expended.

The recent growth of Metro's technology infrastructure (e.g., computer & server processing equipment, network & data telecommunication equipment, electronic file storage systems, audio visual & security systems) are being driven through the delivery of current Transit, Highway, Regional Rail, Program Management and Union Station Projects. Based on current and planned projects scheduled for the next five years, we are requesting a Board authority level required to meet these needs.

BACKGROUND

The National Association of State Procurement Officials (NASPO, formally WSCA), is a non-profit association dedicated to advancing public procurement through leadership, excellence, and integrity. It is made up of the directors of the central purchasing offices in each of the 50 states, the District of Columbia and the territories of the United States. By leveraging their national negotiation and buying

power (over 12 billion dollars in sales annually), NASPO delivers the highest valued, reliable and competitively sourced contracts offering public entities outstanding prices.

They work and negotiate directly with the original equipment manufacturers (OEM), to negotiate the best competitive pricing. Overall, working through NASPO program provides the best overall value, best prices, best terms and condition (including quality, delivery, return policy, insurance, performance, and warranty) and best solutions, that exceeds those possible for any single state.

In addition to cooperative contracts and collective buying power, Metro will have other benefits. These benefits include participating in NASPO training, education, professional development, research, innovative procurement strategies, conferences, procurement best practices and collaboration with other members to achieve success as public procurement leaders.

With their vast years of experience and no membership or administrative application of fees, NASPO has become the nation's premier public purchasing cooperative and the largest public purchasing cooperative in the country.

DISCUSSION

Use of NASPO has shown to be effective in streamlining computer product acquisitions by leveraging buying power to obtain lower pricing and lower administrative costs through shortened processing time. For example, by leveraging the competitive process that NASPO has already gone through, purchasing equipment through the NASPO Master Price Agreement can be accomplished in approximately 1-2 weeks versus the 6-8 weeks or longer for the Metro bid process. Based on the reduced administrative time savings, more timely purchasing cycle time and competitive volume pricing achieved, staff is recommending continued use of this procurement vehicle to sustain these objectives. Furthermore, items typically purchased under NASPO are Metro ITS standard equipment such as Dell computers, IBM servers, Cisco network devices, and the engineering implementation services related to this equipment.

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 ultimately 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.

DETERMINATION OF SAFETY IMPACT

Procurement is a critical component for all project delivery success. Technology supports all areas of communications, day to day business operations and security. The ability to grow, enhance and

maintain the state of good repair of our technology equipment and services are critical to ensuring the confidential, integrity and availability of Metro's information systems and data and safety to our patrons.

FINANCIAL IMPACT

There is no increased cost, however, Metro should realize a decrease in costs for implementing this change.

Impact to Budget

Funding for these services are included under the Information Technology and Services departmental budget through various preapproved operating and capital budgets sourcing from a combination of local operating, state and federal funding sources. Since this is a multi-year project, the Project Manager and Chief Information Technology Officer are responsible for budgeting the cost in future years.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation supports Metro Vision 2028 Strategic Goal 5 - Provide responsive, accountable and trustworthy governance within the Metro organization.

ALTERNATIVES CONSIDERED

The alternative is to formally compete individual procurements via Invitation for Bids (IFBs) or Requests for Proposals (RFPs). This process is more time consuming and expensive when compared to the benefits of utilizing vendors already selected under a competitive contracting process conducted by the National Association of State Procurement Officials (NASPO).

NEXT STEPS

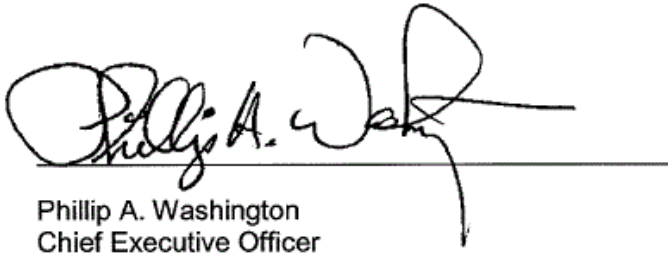
Upon Board approval, staff will move forward in the procurement of computers, servers and network equipment and related software through the National Association of State Procurement Officials (NASPO).

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

Prepared by: Bill Balter, Sr. Director - ITS PMO, (213) 922-4511

Reviewed by: Bryan Sastokas, Chief Information Technology Officer, (213) 922-4510
Debra Avila, Chief, Vendor/Contract Management (213) 418-3051



Phillip A. Washington
Chief Executive Officer