

Date: February 24, 2016

To: Board of Directors

From: Neil McFarlane *Neil McFarlane*

Subject: RESOLUTION 16-02-11 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH COMPUTER TECHNOLOGY LINK CORPORATION FOR THE PURCHASE OF AGENCY COMPUTERS AND PERIPHERALS

1. Purpose of Item

The purpose of this item is to request that the TriMet Board of Directors (“Board”) adopt a resolution authorizing the General Manager to execute a contract with Computer Technology Link Corporation (“CTL”) for agency computers and peripheral equipment.

2. Type of Agenda Item

- Initial Contract
- Contract Modification
- Other _____

3. Reason for Board Action

Board approval is required for goods and services contracts obligating TriMet to pay in excess of \$500,000.

4. Type of Action:

- Resolution
- Ordinance 1st Reading
- Ordinance 2nd Reading
- Other _____

5. Background

The Information Technology Department (“IT”) is requesting Board authorization for a contract with CTL for purchase of computers and peripheral equipment. In TriMet’s capital program, the life of a desktop computer is estimated at five years and monitors at ten years. This replacement cycle is based upon the increased failure rating associated with older desktops and monitors currently in use at the agency.

6. Procurement Process

Oregon law permits TriMet to participate in cooperative purchasing and as such TriMet has routinely purchased computer peripherals and equipment through a variety of State of Oregon contracts. This acquisition approach has historically provided added value and significant cost savings to TriMet. Cooperative purchasing contracts offer much deeper discounts based on volume pricing and as a result they are a better value versus TriMet issuing its own solicitation. Currently the State of Oregon has only one cooperative purchasing contract available – IT Hardware Value Added Reseller (“IT-HVAR”). A review of the IT-HVAR contract with respect to TriMet peripheral and equipment requirements identified pricing which was not in the best interest of TriMet.

As a result, a decision was made to pursue other interstate cooperative purchasing contracts with the potential for added value and cost saving opportunities. The Inter-local Purchasing System (“TIPS”) is a National Cooperative Purchasing Program for use by government entities. A review of the interstate contract revealed three key elements: 1) CTL, a local vendor from Beaverton that TriMet has used in the past is a participating vendor; 2) membership for TIPS was free to TriMet; and 3) pricing was favorable at “cost plus 2% fee”. TriMet’s Project Management Team and Purchasing representative determined entering into an interstate cooperative agreement through TIPS was minimal to no risk and in the best interest of TriMet.

The proposed contract with CTL is a one-year base term in the amount of \$300,000, with four additional one-year options for a total contract amount of \$1,500,000. Authorization of this contract would permit TriMet to continue to acquire reliable systems at favorable pricing and assure continuity in standards of the agency’s microcomputer needs. The contract will be subject to yearly review for fair and reasonable pricing and compliance before annual extensions will be given.

7. Diversity

CTL is an Oregon-based company located in Beaverton, Oregon and minority owned (David Kim “majority owner”, CEO). However, CTL is not qualified for certification as a minority business enterprise (“MBE”) because of the size of the company.

8. Financial/Budget Impact

IT budgets \$300,000 annually to procure computers and monitors at current prices; these prices are projected to remain stable for the next five years during the term of the CTL contract. These funds are accounted for as part of the Capital Improvement Program desktop computing replacement schedule.

9. Impact if Not Approved

If this Resolution is not approved, TriMet would need to issue a new Request for Proposals (“RFP”) for computers and peripheral equipment. TriMet Purchasing staff does not believe that TriMet would be able to obtain lower prices than the cooperative purchasing group obtained through TIPS. Therefore, issuance of a new RFP is not recommended.

RESOLUTION 16-02-11

RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH COMPUTER TECHNOLOGY LINK CORPORATION FOR THE PURCHASE OF AGENCY COMPUTERS AND PERIPHERALS

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract with Computer Technology Link Corporation (“CTL”) for the purchase of agency computers and peripherals (“Contract”); and

WHEREAS, the total amount of the Contract will exceed \$500,000; and

WHEREAS, the TriMet Board of Directors (“Board”), by Resolution dated November 25, 2009, adopted a Statement of Policies requiring the Board to approve goods and services contracts obligating TriMet to pay in excess of \$500,000;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Contract shall be in conformance with applicable laws.
2. That the General Manager is authorized to execute the Contract.

Dated: February 24, 2016

Presiding Officer

Attest:

Recording Secretary

Approved as to Legal Sufficiency:



Legal Department