LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY

STAFF REPORT

SUBJECT: Authorization to Amend Agreement with SDI Presence, Inc. for Additional Contract Capacity

FROM: Mike Tobin, Director of Operations and Planning
Salomon Abdel-Aziz, Manager of Administrative Services

DATE: June 23, 2026

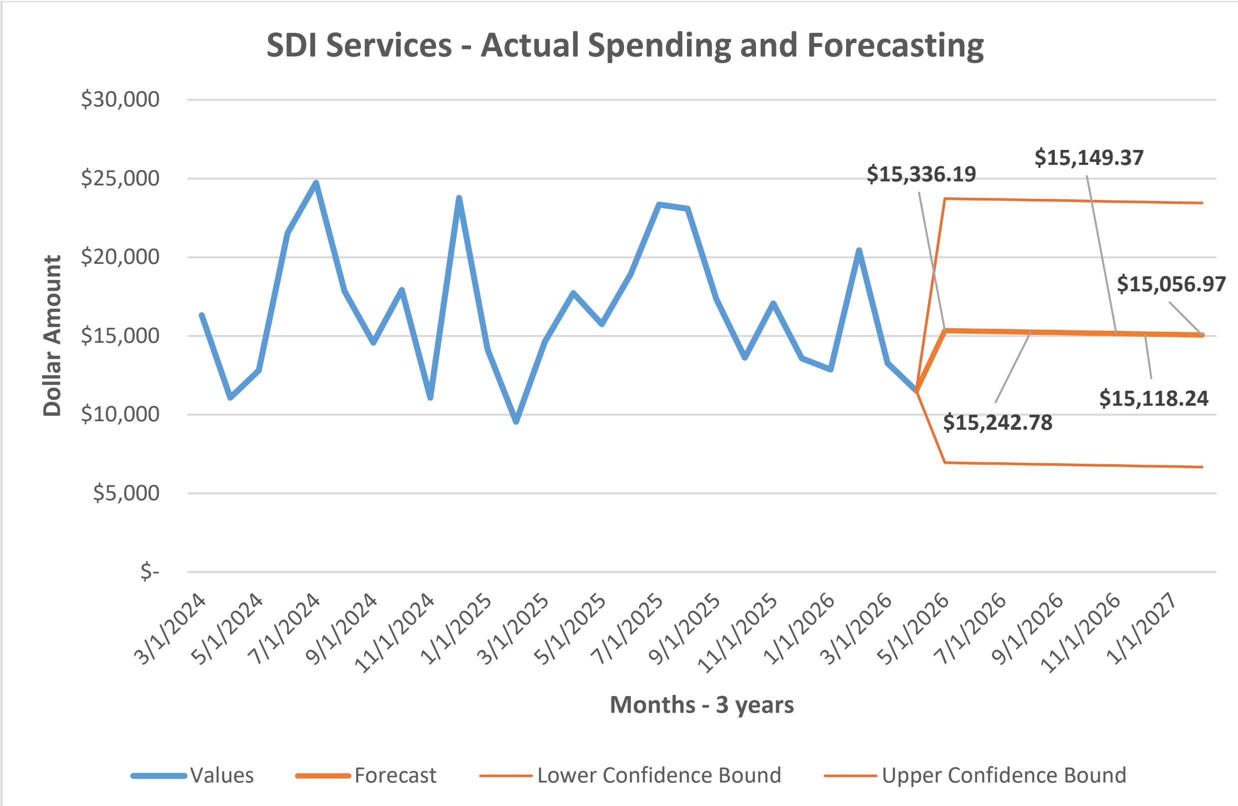
Action Requested
Staff requests that the Finance and Administration Committee refer Resolution 29-2026 to the Board of Directors for approval, authorizing the Executive Director to amend the existing agreement with SDI Presence, Inc. (SDI) to increase the base contract capacity by $100,000 for the initial three-year term ending in January 2027 to continue IT consulting and support services, and to increase the contract capacity for the two option years by $60,340, for a revised total not-to-exceed amount of $922,415.

Background
On January 8, 2024, the Board of Directors approved an agreement with SDI Presence, Inc. for IT modernization, cloud transformation, and ongoing IT support services. The contract was approved with a not-to-exceed amount of $462,409 for the three-year base term and $299,666 for two optional one-year extensions.

The scope of services includes IT infrastructure support, cloud services administration, cybersecurity support, and ongoing technical assistance required to maintain LAVTA's enterprise systems.

Discussion
Since execution of the agreement, the SDI contract has experienced higher-than-anticipated utilization and has reached its not-to-exceed (NTE) amount for the three-year base term earlier than originally projected. This accelerated expenditure is driven by a combination of factors, including increased demand for IT support services, expanded reliance on cloud-based systems, and additional technical assistance required to support ongoing agency operations.

To evaluate the magnitude and trajectory of contract utilization, staff developed a monthly expenditure analysis and forecast model (see attached SDI Contract Forecasting chart). The model incorporates historical spending data and applies a projection to estimate future service needs through January 2027.



Key Quantitative Findings from Forecast Analysis

Over the past two years, monthly expenditures have shown significant variability, ranging from approximately $9,500 to $24,700, driven by a combination of baseline contract services and supplemental Managed Service Provider (MSP) task-based work, with several months exceeding $20,000 during periods of heightened operational and project demand. In the most recent 6-9 months, spending has remained consistently elevated, generally between $13,000 and $20,000, with occasional spikes above $20,000; although slight moderation is evident in early 2026, costs continue to exceed original baseline contract assumptions. Looking ahead, the trend-based forecast projects sustained expenditure levels through January 2027, with monthly costs expected to stabilize around $15,400 to $15,800 under baseline conditions, while remaining subject to increase during periods of higher MSP service demand.

Since the execution of the agreement, the contract has experienced higher-than-anticipated utilization and has now reached its maximum authorized amount for the base term earlier than projected. Key contributing factors include:

- Increased demand for IT support services due to expanded agency operations and technology reliance
- Additional unplanned or accelerated project support requirements
- Changes in service levels, including increased frequency and complexity of support needs
- Cybersecurity and network resiliency improvements implemented following Distributed Denial of Service (DDoS) attacks experienced in FY 2026. These enhancements include additional threat mitigation measures and the implementation of high-availability network services through LAVTA's ISP to improve reliability and reduce service disruptions.

To further assess contract utilization, staff analyzed cumulative expenditures against the approved not-to-exceed (NTE) amount for the three-year base term.

SDI Base Contract Spending Summary

Category	Amount ($)
Original Contract NTE (Base Term Years 1–3)	$462,409
Total Expenditures to Date (as of April 2026)	$428,414.92
Remaining Balance	$33,994.08
Forecasted Remaining Costs (Jun 2026-Jan 2027)	**~$85,000**
Contingency	**$15,000**
Requested Base-Term Funding Increase	**$100,000**
Proposed Revised NTE (base term)	**$562,409**
Proposed Revised NTE (including optional years)	**$922,415**

As shown above, expenditures to date have effectively exhausted the original contract capacity of $462,409 for the three-year base term. Based on historical spending trends and the forecasted monthly costs reflected in the attached expenditure model, staff anticipate approximately $85,000 in additional services will be required to maintain operations through January 2027. Furthermore, staff is requesting an additional $15,000 in contingency to address any additional unanticipated IT incidents.

This analysis confirms that the requested amendment is not an expansion of scope, but rather an adjustment to align the contract's authorized funding with actual service demand. The revised not-to-exceed amount of $562,409 for the base term reflects both expenditures already incurred and the projected cost to sustain necessary services throughout the remainder of the base term period.

Fiscal Impact

The proposed contract amendment will increase the total authorized funding by $160,340, to be funded through the appropriate operating budget accounts for IT services.

Sufficient funding is available within current and projected operating budgets to support the requested amendment. Future year budgets for SDI will be adjusted accordingly.

Recommendation
Staff recommend that the Finance and Administration Committee refer Resolution 29-2026 to the Board of Directors for approval, authorizing the Executive Director to amend the agreement with SDI Presence, Inc. to increase the not-to-exceed amount for the three-year base term from $462,409 to $562,409, increase the not-to-exceed amount for the two optional one-year extension terms from $299,666 to $360,006, and increase the overall contract not-to-exceed amount from $762,075 to $922,415.

Attachments:
1. Resolution 29-2026

RESOLUTION NO. 29-2026

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY AUTHORIZING AN AMENDMENT TO THE AGREEMENT WITH SDI PRESENCE, INC. TO INCREASE THE CONTRACT NOT-TO-EXCEED AMOUNT FOR IT CONSULTING AND SUPPORT SERVICES

WHEREAS, on January 8, 2024, the Board of Directors approved an agreement with SDI Presence, Inc. for IT modernization, cloud transformation, and IT support services for a three-year base term in an amount not to exceed $462,409; and

WHEREAS, the agreement provides ongoing IT infrastructure support, cloud services administration, cybersecurity support, and related technology services necessary for agency operations; and

WHEREAS, due to increased demand for IT services and higher-than-anticipated utilization, the contract has reached its authorized funding capacity prior to completion of the base term; and

WHEREAS, staff has developed expenditure forecasts demonstrating the continued need for IT consulting and support services through January 2027; and

WHEREAS, additional funding in the amount of $100,000 is required to complete the remaining base term of the agreement and provide contingency for unanticipated IT support needs through January 2027; and

WHEREAS, additional funding in the amount of $60,340 is required to increase the authorized funding for the two option years and provide sufficient funding for anticipated future IT consulting and support services;

WHEREAS, sufficient funding is anticipated to be available through the appropriate operating budget accounts;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Livermore Amador Valley Transit Authority hereby:

1. Authorizes an amendment to the agreement with SDI Presence, Inc.;
2. Increases the total not-to-exceed amount for the three-year base term from $462,409 to $562,409;
3. Increases the not-to-exceed amount for the two option years from $299,666 to $360,006;
4. Increases the overall contract not-to-exceed amount from $762,075 to $922,415; and
5. Authorizes the Executive Director to execute all necessary documents and take all actions necessary to implement this amendment.

PASSED AND ADOPTED this 6th day of July 2026.

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David Haubert, Chair

ATTEST:

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Christy Wegener, Executive Director