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REVISED
FINANCE, BUDGET and AUDIT COMMITTEE
FEBRUARY 15, 2012

SUBJECT: CONTRACT INFORMATION MANAGEMENT SYSTEM (CIMS)

ACTION: APPROVE CONTRACT AWARD

RECOMMENDATION

- A. Increase the Life-of-Project (LOP) Budget for the Contract Information Management System by \$2,247,850 from \$5,313,400 to \$7,561,250 and combine CP207096 (CIMS Phase I) into CP207130 (CIMS Phase II); and
- B. Authorize the Chief Executive Officer to award a 27 month, firm fixed price, contract under RFP No. PS63502579 with Zanett Commercial Solutions, for development and implementation of a Contract Information Management System, for an amount not to exceed \$6,231,032 inclusive of sales tax.

ISSUE

The initial project cost was estimated prior to approval of Measure R and the additional compliance reporting resulting from its approval. The scope of work was increased to include these changes as well as an agency-wide implementation within twenty-seven months. Therefore, we are requesting an LOP increase from \$5,313,400 to \$7,561,250.

Implementation of a Contracts Information Management System (CIMS) will automate procurement actions and support process efficiency to reduce procurement cycle time, improve data collection and retrieval, provide timely management reporting, and goal compliance tracking.

DISCUSSION

Over the last several years Metro has experienced an increase in procurement and related regulatory and compliance actions. Added to this will be a significant increase in

workload resulting from Measure R actions. To increase our effectiveness and reduce cycle time, we need to restructure our procurement processes to take advantage of

technology tools that will eliminate redundant data collection and paper handling. Implementation of CIMS throughout the agency will result in using proven technology, such as automated workflow and content management, to streamline processes, and improve data accuracy, project tracking, resource management, and regulatory and compliance management reporting.

The increase in LOP results from the difference between the Independent Cost Estimate (ICE) used to establish the initial LOP (developed prior to the adoption of Measure R) and the final BAFO cost plus the contract contingency.

DETERMINATION OF SAFETY IMPACT

Approval of this procurement will not impact the safety of Metro's patrons or employees.

FINANCIAL IMPACT

The funding of \$2,057,911 for this project is included in the FY12 budget in cost center 9240, Information Technology Services in project 207130 CIMS Phase I (\$177,767) and project 207096 CIMS Phase II (\$1,880,144), in account 53102 Acquisition of Equipment.

Since this is a multi-year contract, the cost center manager and the Chief Administrative Services Officer will be accountable for budgeting the cost in future years, including any option exercised.

Impact to Budget

The source of funds for this project is TDA, Article 4. These funds are eligible for bus and rail operating and capital expenditures. Should other sources become available they may be considered for this project.

ALTERNATIVES CONSIDERED

Continuation of current manual paper-based procurement processes was not prudent as it precludes any opportunity for process improvement leading to cycle time reduction now or in the future.

As we currently own the hardware and network infrastructure required to install and run the CIMS application in-house, use of an outsourced model where the application would be hosted and run in a third-party data center was not beneficial as it would not achieve a cost reduction since we would be paying for use of technological assets Metro already owns and maintains.

Reducing the scope of work for implementation services was deemed not feasible as it would jeopardize our ability to attain a fully functional CIMS that would support the procurement needs of the entire agency as we currently do not have personnel knowledgeable in the use of the proposed product nor in the quantity required to successfully complete the project.

NEXT STEPS

The contract management software will be procured within 30 days of contract approval. System implementation and integration activities will commence within two weeks of contract approval. Completion of a pilot system is projected for November 2012 and system testing will begin in April 2013. Staff training will commence in April 2013 in preparation for the system rollout, planned to occur in three phases, commencing in July 2013. Post-implementation support will be available through February 2014 to ensure any resulting processing issued will be resolved prior to contract close-out.

ATTACHMENTS

- A. Procurement Summary
- B. Funding/Expenditure Plan

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Michelle Lopes Caldwell
Chief Administrative Services Officer

Arthur T. Leahy

Arthur T. Leahy
Chief Executive Officer

PROCUREMENT SUMMARY

CONTRACT INFORMATION MANAGEMENT SYSTEM (CIMS)

1.	Contract Number: PS63502579	
2.	Recommended Vendor: Zanett Commercial Solutions, Incorporated	
3.	Type of Procurement (check one) : <input type="checkbox"/> IFB <input type="checkbox"/> RFP <input checked="" type="checkbox"/> RFP – A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates: November 1, 2010 to December 31, 2011	
	A. Issued: February 28, 2011	
	B. Advertised/Publicized: March 1, 2011	
	C. Pre-proposal/Pre-Bid Conference: March 14, 2011	
	D. Proposals/Bids Due: June 16, 2011	
	E. Pre-Qualification Completed: December 14, 2011	
	F. Conflict of Interest Form Submitted to Ethics: December 12, 2011	
	G. Protest Period End Date: February 21, 2012	
5.	Solicitations Picked up/Downloaded: 140	Bids/Proposals Received: 5
6.	Contract Administrator: Nathan Jones III	Telephone Number: (213) 922-6101
7.	Project Manager: Elizabeth Bennett	Telephone Number: (213) 922-4522

A. Procurement Background

This Board action is for a Request for Proposal procurement issued to acquire and implement an integrated Contract Information Management System (CIMS) that is to be used agency-wide. The purpose of the CIMS implementation is to provide an efficient decision support and contract data management process. The project implements a new, comprehensive application that can provide real-time information processing to support the Contracts and Materiel Management, Risk Management, and Small Business Diversity departments over the next ten years.

The RFP was issued in accordance with Metro's Acquisition Policy and the contract type is a Firm Fixed Price (FFP).

Seven Amendments were issued during the solicitation phase of this RFP; Amendment No. 1 issued on March 11, 2011 to clarify the minimum qualifications, the SBE goal, and to reply to formally submitted questions received: Amendment No. 2 was issued on March 24, 2011 to change the proposal submission media from hardcopy to electronic submission and to clarify the CIMS demonstration: Amendment No. 3 was issued on March 29, 2011 to change the proposal due date and clarify a CIMS detail functional requirement: Amendment No. 4 was issued on April 25, 2011 to change the proposal due date: Amendment No. 5 was issued on

April 29, 2011 to change the proposal due date and to reply to formally submitted questions received: Amendment No. 6 was issued on May 13, 2011 to change the proposal due date: Amendment No. 7 was issued on May 18, 2011 to reply to formally submitted questions received. Requests for extensions to the due date were granted to encourage vendor participation.

A total of five proposals were received on June 16, 2011. One of the five proposals was deemed materially non-responsive because it did not contain any of the required proposal Volumes I, II or III which represented the mandatory certifications, pricing, and technical/management proposal contents.

B. Evaluation of Proposals/Bids

The solicitation was a standard Request for Proposal explicit factors in compliance with Metro's Procurement policies and procedures. A Source Selection Committee (SSC) consisting of Metro staff (Procurement, Materiel, and ITS Departments) performed the evaluation in accordance with RFP.

The proposals were evaluated based on the following evaluation criteria and weights:

Technical Solution, Ease of Implementation & Integration into Metro's Environment	35%
Corporate/Assigned Personnel's Experience & Qualifications	15%
Work Plan & Schedule	10%
CIMS Demonstration	15%
Price/Cost Proposal	25%

The evaluation criteria are appropriate and consistent with criteria developed for other, similar IT and systems-type procurements. Several factors were considered when developing these weights, giving the greatest importance to the technical solution, ease of implementation and integration into Metro's environment.

During the month of September, the evaluation committee met and interviewed the Proposers. The firm's project managers and key team members had an opportunity to present each team's qualifications, demonstrate their proposed solution, and respond to the evaluation committee's questions. In general, each team's presentation addressed the requirements of the RFP, experience with the required tasks within the scope of work, and stressed each firm's commitment to the success of the project. The proposed staffing plans, work plans and project timeline were reviewed. Proposer's references were contacted to verify prior experience and performance.

Of the four proposals accepted, two were determined to be within the competitive range after the vendor interviews and system demonstrations were conducted. The two firms within the competitive range are listed below in alphabetical order:

1. IBM
2. Zanett Commercial Solutions

The two firms determined to be outside the competitive range were not included for further consideration.

Qualifications Summary of Firm Within the Competitive Range:

IBM - The proposed solution could fit into Metro's existing system's infrastructure. The technical manageability of the proposed solution may be a concern if the solution should require substantial changes to its configuration in order to accommodate a public sector procurement acquisition process. The proposed solution would require custom interfaces to integrate with Metro's financial applications. This firm presented a comprehensive Work Plan & Schedule that addressed the various critical aspects of the five separate phases that are critical to Metro. This firm appeared to have experienced and qualified staff proposed, and a pool of resources to draw upon if needed.

Zanett Commercial Solutions, Incorporated – The proposed solution could be plugged in and added to Metro's existing systems infrastructure seamlessly without any additional technical interface development as the financial modules are already in use in Metro's environment. The solution proposed-addresses recoverability and integration points without additional technical work. With few exceptions the firm's proposed solution provides a complete "cradle-to-grave" procurement solution. This firm appeared to have experienced and qualified staff proposed, and a pool of resources to draw upon.

The evaluation committee recommended Zanett Commercial Solutions based on the higher score achieved in each evaluation criteria and the significantly greater number of service hours allocated to each task in the scope of work.

1	FIRM	Average Score	Factor Weight	Weighted Average Score	Rank
2	IBM				
3	Technical Solution & Ease of Implementation & Integration into Metro's Environment	68.55	35.00%	23.99	
4	Corporate/Assigned Personnel's Experience & Qualifications	62.00	15.00%	9.30	
5	Work Plan & Schedule	58.79	10.00%	5.88	
6	Demonstration	72.17	15.00%	10.83	
7	Price	90.59	25.00%	22.65	
8	Total		100.00%	72.65	2
9	Zanett Commercial Solutions, Inc.				
10	Technical Solution & Ease of Implementation & Integration into Metro's Environment	73.04	35.00%	25.56	
11	Corporate/Assigned Personnel's Experience & Qualifications	64.93	15.00%	9.74	
12	Work Plan & Schedule	62.10	10.00%	6.21	
13	Demonstration	76.67	15.00%	11.50	
14	Price	100.00	25.00%	25.00	
15	Total		100.00%	78.01	1

C. Cost/Price Analysis

This procurement resulted in an open procurement and price competitions. Due to Metro receiving four price proposals, the final accepted price has been deemed to be fair and reasonable.

The two remaining firms were requested to provide Best and Final Orders (BAFO) based on their revised understandings after accumulated additional information gained during their four day CIMS demonstration and interviews with Metro. The BAFOs represented adjustments in their direct labor manpower requirements, shift in performance period, and adjustment to their Other Direct Costs (ODC). The following represents their Initial Firm Fixed Price, the first and final BAFO, and Metro's CIMS Independent Cost Estimate (ICE):

Proposer Name	Initial Proposal Amount 6/16/11	Initial BAFO Amount 12/5/11	Final BAFO Amount 12/12/11	Metro ICE April 2011
IBM	\$7,172,184	\$6,951,671	\$6,878,617	\$4,301,666
Zanett Commercial Solution	\$6,573,545	\$6,467,146	\$6,231,032	\$4,301,666

The following is a direct labor hour comparison representation of the final BAFOs and Metro's ICE relative to the major CIMS work tasks that are to be performed:

CIMS Tasks By Hours	IBM – BAFO, 12/12/11	Zanett Commercial Solution – BAFO, 12/12/11	Metro ICE April 2011
Software Acquisition	40	0	415
Project Management	4,840.	4,965	8,980
Business Process	1,136	3,549	460
Implementation & Integration	6,380	12,624	10,370
System Roll-Out	592	2,436	2,498
Post Implementation Support	760	1,890	1,804
Training	512	3,549	1,335
OPTIONS			
Data Conversion	240	480	
Database Administration	900	3,244	
TOTAL DIRECT LABOR HOURS	15,400	32,737	25,862
PRICE/PER LABOR HOUR*	\$366.55	\$166.23	\$166.33 \$106.41

*Price per labor hour excludes the software acquisition cost from both firms; \$1,233,706 was subtracted from IBM total price, and \$789,002 was subtracted from Zanett's total price to derive the above price per hour.

D. Background on Recommended Contractor

The recommended firm, Zanett Commercial Solutions, Incorporated, located in New York City, New York, has been in business for 12 years and is a certified Oracle Platinum Partner as one of Oracle’s leading Enterprise Business Software (EBS) partners in the public sector and commercial industries. It is a leading systems integrator with a proven successful track record as one of Oracle’s EBS partners in the public and commercial industries. Zanett has experience in assisting public and private sector entities with supporting, upgrading, managing and implementing the entire EBS Suite and augmenting currently installed environments with additional applications such as Contracts and Procurement.

For over 12 years, Zanett has been a leading partner within Oracle’s Public Sector practice. Over that time, Zanett has helped numerous organizations similar to Metro implement, upgrade, manage and maximize the value of Oracle applications. Zanett has significant experience with Oracle Contracts and Procurement with commercial/private sector customers. Their combination of public and private sector experiences will be beneficial to Metro.

E. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 20% Small Business Enterprise (SBE) goal for this solicitation. Zanett Commercial Solutions made a 21.26% SBE commitment.

SMALL BUSINESS GOAL	SBE 20%	SMALL BUSINESS COMMITMENT	21.26%
SBE Subcontractors		% Committed	
1. Langford & Carmichael, Incorporated		21.26%	
Total Commitment		21.26%	

F. All Subcontractors Included with Recommended Contractors Proposal

	Subcontractor	Services Provided
1.	Oracle Corporation	System Software
2.	Langford & Carmichael, Incorporated	Software Testing, Change Management, PM, QA, and Training Services
3.	CACI	Contract Lifecycle Management Support

**CP 207130 Contract Information Management System
Funding/Expenditure Plan**

	FY11	FY12	FY13	FY14	Total	% of Total
Uses of Funds						
Project Administration System Requirements	132,510	202,760	212,150	200,850	748,270	10.0
Software Acquisition System Implementation & Rollout	-	789,002	-	-	789,002	10.4
Training Post-Implementation Support	-	846,149	2,661,034	1,151,227	4,658,410	61.6
Advertising	-	-	-	621,075	621,075	8.2
Contingency	-	-	211,420	282,550	282,550	3.7
	716	-	-	-	716	.01
	-	-	211,420	100,130	311,550	4.1
Total Project Cost	282,903	1,837,911	3,084,604	2,355,832	7,561,250	100%
Sources of Funds						
TDA	282,903	1,837,911	3,084,604	2,355,832	7,561,250	100%
Total Project Funding	\$282,903	\$1,837,911	\$3,084,604	\$2,355,832	\$7,561,250	100%