

**Metro**

Los Angeles County  
Metropolitan Transportation Authority

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**EXECUTIVE MANAGEMENT COMMITTEE  
January 17, 2013**

**SUBJECT: ENTERPRISE BUSINESS SUITE UPGRADE**

**ACTION: AWARD CONTRACT**

**RECOMMENDATION**

- A. Authorize the Chief Executive Officer to award a 30-month, firm fixed price contract under RFP No. PS92402983 to AST Corporation, the highest rated proposer, for the Oracle Enterprise Business Suite (FIS) upgrade project at a firm fixed price amount of \$3,799,900.
- B. Authorize the Chief Executive Officer to exercise options not to exceed \$1,873,100 for the implementation of Oracle Business Intelligence and Oracle Fusion Middleware software.

**ISSUE**

The Oracle system is Metro's current computing database standard and the enterprise-wide foundation for many of our mission critical business applications. Metro is operating on a version of the software that will no longer be fully supported by the vendor after December 2014. Metro must perform a major version upgrade of the system (from version 11.5.10 to version 12) and replace the computing infrastructure hardware it operates on, which is nearing end of life.

**DISCUSSION**

The Oracle Enterprise Business Suite is a set of twelve major computer applications that comprise Metro's agency-wide financial and business system. The system supports many of Metro's mission critical business services used daily by the Accounting, Benefits, Finance, Human Resources, Procurement, Real Estate, and Transit Operations departments.

The upgrade of the Enterprise Business Suite will enable Metro to continue to receive full vendor support after December 2014 from the manufacturer. The full support includes the following:

- Cyber security updates
- Functional enhancements to the software
- Current and updated tax, legal, and regulatory changes
- Certification with new third-party products
- Trouble shooting assistance for any new problems discovered
- Timely vendor support services

Options are included for AST to implement the Oracle Business Intelligence software which will provide advanced reporting and dashboard capabilities for analyzing finance, risk management, transit operations, human resources, and other Metro business data. In addition, the options include implementation of Oracle's Fusion Middleware which represents a new, advanced software tool for exchanging essential data between FIS and other Metro applications such as payroll and maintenance and material management. Implementation of Oracle's Fusion Middleware will reduce interface costs for future FIS upgrades. Metro staff will evaluate and determine which options need to be exercised during the design phase.

#### **DETERMINATION OF SAFETY IMPACT**

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

#### **FINANCIAL IMPACT**

The funding of \$1,500,000 for this service is included in the FY13 budget in cost center 9210, Information Management, under project number 207132, Enterprise Business Suite upgrade.

Since this is a multi-year contract, the cost center manager and Chief Administrative Services Officer will be accountable for budgeting the cost in future years, including any option exercised. The entire contract cost, including options, is included in the life-of-project budget.

#### **Impact to Budget**

The sources of funds for this project are administration funds: Proposition A Administration, Proposition C Administration and/or Transportation Development Act (TDA). These funds are eligible for bus and rail operating expenditures. No other sources of funds were considered because these funds were programmed for this important agency-wide capital project.

## **ALTERNATIVES CONSIDERED**

The Board may choose not to award this contract. If the Enterprise Business Suite were to lapse into the minimal vendor support category, Metro would no longer receive security updates and regulatory/tax related modifications from the vendor. The vendor has no plans to generate security updates or regulatory/tax modifications for the version of the software that Metro is currently using after December 2014.

## **NEXT STEPS**

Upon Board approval, the project will award a system integration agreement for the upgrade of the Enterprise Business Suite.

## **ATTACHMENTS**

A. Procurement Summary

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*Michelle Lopes Caldwell*

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Michelle Lopes Caldwell  
Chief Administrative Services Officer

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Arthur T. Leahy  
Chief Executive Officer

**PROCUREMENT SUMMARY**

**ORACLE E-BUSINESS SUITE R12 UPGRADE**

1.	Contract Number: PS92402983	
2.	Recommended Vendor: AST Corporation	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: August 8, 2012	
	B. Advertised/Publicized: August 10, 2012	
	C. Pre-proposal/Pre-Bid Conference: August 16, 2012	
	D. Proposals/Bids Due: September 14, 2012	
	E. Pre-Qualification Completed: September 13, 2012	
	F. Conflict of Interest Form Submitted to Ethics: September 17, 2012	
	G. Protest Period End Date: January 19, 2013	
5.	Solicitations Picked up/Downloaded: 64	Bids/Proposals Received: 4
6.	Contract Administrator: Mark Lu	Telephone Number: 213-922-4689
7.	Project Manager: Mehul Kumar	Telephone Number: 213-922-2344

**A. Procurement Background**

This Board action is to approve awarding Contract PS92402983 to AST Corporation. The Contract will acquire professional services from a certified Oracle Partner firm with solid Oracle application and technology skills to perform an upgrade of Metro’s Oracle E-Business Suite 11.5.10 environment to Oracle’s E-Business Suite Release 12 (R12). The RFP was issued in accordance with Metro’s Acquisition Policy and the contract type is a Firm Fixed Price (FFP).

A Pre-Proposal meeting was held on August 16, 2012. Eighty-six questions were asked during and after the pre-proposal meeting and a Memorandum was issued to respond to those questions.

One amendment was issued during the solicitation phase of this RFP Amendment No. 1 was issued on August 27, 2012 to increase the SBE goal from 8% to 10% and provide more details in the Statement of Work. A total of four proposals were received on September 14, 2012.

## **B. Evaluation of Proposals/Bids**

The solicitation was a standard Request for Proposal, explicit factor evaluation in compliance with Metro's procurement policies and procedures. The Source Selection Committee (SSC) consisted of six Metro staff members representing the following departments:

- Information Technology
- Accounting
- Office of Management & Budget
- Procurement

In addition an outside rater from Metropolitan Water District also participated. The SSC conducted a comprehensive technical evaluation of the proposals received. A total of four proposers responded to this solicitation. One proposer – Zensar Technology did not meet the minimum qualifications for this solicitation and was not evaluated further.

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

- **Minimum Qualifications:**
  - Oracle Platinum Partner Certification
  - Five or more completed Oracle R12 Upgrade projects within the last 5 years
  - Three or more completed Oracle R12 Upgrade projects **for public sector organizations** within the last 5 years
  
- Work Plan/Project Approach 30%
- Experience and Qualifications of Proposed Personnel 20%
- Corporate Size and Stability 20%
- Price 30%

The evaluation criteria are appropriate and consistent with criteria developed for other similar IT and system upgrade type of procurements. Several factors were considered when developing these weights, giving the greatest importance to the project approach, the firm's and its staffs' experience and technical ability on Oracle R12 upgrade.

During the months of September, October, and November, the evaluation committee met and interviewed the three, minimally qualified Proposers. Each firm's project managers and key team members had an opportunity to present their team's qualifications, demonstrate their solution, and respond to Metro's committee's questions. In general, each team's presentation addressed the

requirements of the RFP, experience with similar upgrade implementations, and their understanding of the technical requirements associated with the project.

Of the three proposals evaluated, all were determined to be within the competitive range, and they are listed below in alphabetical order:

1. AST Corporation
2. CedarCrestone, Inc.
3. Zanett Public Sector

### **Qualifications Summary of Firms Within the Competitive Range:**

**AST Corporation** - AST's proposed solution provides a solid project approach and demonstrates a clear understanding of the requirements in Statement of Work (SOW). Proposed personnel possess solid technical skills, experience, and industry certifications as required. AST exhibited the greatest depth of knowledge and strong experience in implementing/upgrading the Oracle Enterprise Business Suite for public sector organizations and in the transportation industry.

The proposal met the minimum requirements listed in the Evaluation Criteria.

**CedarCrestone** - The proposed solution featured a very aggressive implementation schedule. The project plan presented requires significant participation by Metro's staff. Proposed personnel possess adequate technical skill. The experience of the proposed project manager, however, is mostly within the commercial not public sector.

The proposal met the minimum requirements listed in the Evaluation Criteria, and demonstrated corporate experience. The contractor has a pending lawsuit with Oracle and its Platinum certification has been revoked. CedarCrestone proposes performing the work by utilizing a Platinum certified subcontractor. CedarCrestone asserts that the lawsuit will have no impact on this project.

**Zanett Public Sector** – The proposed solution features the contractor's proprietary approach called "Upgrade Center of Excellence". This approach meets the requirements in the SOW. Their reports migration strategy lacked clarity.

Zanett's proposal met the minimum requirements listed in the Evaluation Criteria and demonstrated sufficient corporate experience.

The evaluation committee recommended the AST Corporation solution based on the scores indicated in the following summary:

<b>1</b>	<b>FIRM</b>	<b>Average Score</b>	<b>Factor Weight</b>	<b>Weighted Average Score</b>	<b>Rank</b>
<b>2</b>	<b>AST Corporation</b>				
<b>3</b>	Work Plan / Project Approach	97.14	30%	29.14	
<b>4</b>	Qualification and Experience of Proposed Personnel	95.71	20%	19.14	
<b>5</b>	Corporate Size and Stability	90.00	20%	18.00	
<b>6</b>	Price	72.27	30%	21.68	
<b>7</b>	<b>Total</b>		<b>100.00%</b>	<b>87.97</b>	<b>1</b>
<b>8</b>	<b>CedarCrestone</b>				
<b>9</b>	Work Plan / Project Approach	80.00	30%	24.00	
<b>10</b>	Qualification and Experience of Proposed Personnel	77.14	20%	15.43	
<b>11</b>	Corporate Size and Stability	74.29	20%	14.86	
<b>12</b>	Price	86.63	30%	25.99	
<b>13</b>	<b>Total</b>		<b>100.00%</b>	<b>80.28</b>	<b>2</b>
<b>14</b>	<b>Zanett Public sector</b>				
<b>15</b>	Work Plan / Project Approach	70.00	30%	21.00	
<b>16</b>	Qualification and Experience of Proposed Personnel	60.00	20%	12.00	
<b>17</b>	Corporate Size and Stability	65.71	20%	13.14	
<b>18</b>	Price	100.00	30%	30.00	
<b>19</b>	<b>Total</b>		<b>100.00%</b>	<b>76.14</b>	<b>3</b>

### **C. Cost/Price Analysis**

The final price has been deemed to be fair and reasonable based on adequate price competition and Metro's Independent Cost Estimate. The overall knowledge, experience and technical qualifications that AST demonstrated reduces the risk for an unsuccessful project, and justifies the additional cost.



	<b>Proposer Name</b>	<b>Initial Proposal Amount</b>	<b>BAFO Amount</b>
1.	AST Corporation	\$3,998,258	\$3,799,900
2.	CedarCrestone, Inc.	\$3,170,294	\$3,170,294
3.	Zanett Public Sector	\$2,201,260	\$2,746,660

**D. Background on Recommended Contractor**

The recommended firm, AST Corporation, located in Naperville, Illinois, has been in business for 17 years and is one of the leaders in the field of Oracle application implementation and integration. As an Oracle certified Platinum Partner, eighty percent of its business has been in public sector including bus and commuter rail agencies, airports, seaports, municipal governments, public schools, and utilities amounting to more than 100 public sector engagements in all. On May of 2012, AST Corporation completed the Oracle E-Business Suite R12 upgrade project for the Greater Cleveland Regional Transit Authority in Ohio.

AST Corporation proposed a project team composed of 10 to 22 years of Oracle E-Business Suite experience team members who have completed from 5 to 11 Oracle R12 upgrade projects in the past. AST Corporation has completed work for Metro on Oracle applications in the past and their performance is considered satisfactory.

**E. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 10% Small Business Enterprise (SBE) goal for this solicitation. AST Corporation made a 10% SBE commitment.

<b>SMALL BUSINESS GOAL</b>	<b>SBE 10%</b>	<b>SMALL BUSINESS COMMITMENT</b>	<b>SBE 10%</b>

	<b>SBE Subcontractor</b>	<b>% Committed</b>
1.	Langford & Carmichael	10%
	<b>Total Commitment</b>	<b>10%</b>

**F. All Subcontractors Included with Recommended Contractor's Proposal**

	<b>Subcontractor</b>	<b>Services Provided</b>
1.	Langford Carmichael	Technical analysis and development activities associated with R12 Upgrade