



Metro

Los Angeles County
Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

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metro.net

**FINANCE, BUDGET AND AUDIT COMMITTEE
June 18, 2014**

SUBJECT: AGENCY-WIDE BUDGET SYSTEM UPGRADE

ACTION: APPROVE CONTRACT AWARD

RECOMMENDATION

Authorize the Chief Executive Officer to award a firm fixed price contract Number PS56103234 with Sierra Systems, the highest evaluated proposer for a firm fixed price of \$2,295,200.

ISSUE

Metro's current budgeting system is over 15 years old and is a custom system designed mainly for data input and with limited analytical functionality. It was built using now-obsolete technology and is no longer supported by the software vendor. Some of the budgeting functions are done using standalone Excel spreadsheets and Microsoft Access database residing on user desktops. As a result, it is difficult to share data easily and timely. Some data is duplicated or redundant and the system is not capable of keeping up with the Agency's needs. As a result of the new highway and transit construction project budgeting activities, Metro requires a more integrated and centralized system with better analytical tools and web-enabled technology.

DISCUSSION

This award will allow Metro to implement a new integrated budgeting system using the latest technology that will be compatible with Metro's other enterprise systems. Metro will have a more secure environment and be able to retire all the side systems and individual desktop applications that are difficult to maintain and upgrade. The system will be centralized, shareable, and provide a single repository of data. Budget analysts will be able to forecast, project revenues and expenditures, and analyze financial and budget performance more timely and accurately. Metro will be able to present the budget book online with drill-down capability, and updates to data will be reflected in real time.



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DETERMINATION OF SAFETY IMPACT

There is no impact to safety.

FINANCIAL IMPACT

The funding of \$2,295,200 for this service is included in the FY14 budget in cost center 5610, Office of Management and Budget, under project 207115, Budget System Replacement.

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

Impact to Budget

The funding source for this service will be from Prop A, Prop C, Measure R and TDA Administration Funds. These funds are not eligible for bus and rail operating expenses.

ALTERNATIVES CONSIDERED

There were two alternatives considered:

1. Replace the current system with another custom system to be developed in-house. This option was rejected because the cost would be too prohibitive to design, develop, and implement a custom solution when an off-the-shelf package was already available, and it would take several years to implement.
2. Continue to use the existing system. This option was rejected because the current system was no longer meeting the demands of the Agency and major improvements and enhancements are not possible because of the obsolete technology.

NEXT STEPS

Upon Board approval, a Notice to Proceed will be issued to the vendor to begin preparations for contract implementation. The goal is to have the first phase implemented for the FY16 budget process.

ATTACHMENTS

A. Procurement Summary

Prepared by: Melissa Wang, Finance DEO, ext. 26024
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Nalini Ahuja

Nalini Ahuja
Executive Director, Finance and Budget

Arthur T. Leahy

Arthur T. Leahy
Chief Executive Officer

PROCUREMENT SUMMARY

AGENCY-WIDE BUDGET SYSTEM UPGRADE

1.	Contract Number: PS56103234	
2.	Recommended Vendor: Sierra Systems	
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: December 13, 2013	
	B. Advertised/Publicized: December 13, 2013	
	C. Pre-proposal/Pre-Bid Conference: December 23, 2013	
	D. Proposals/Bids Due: February 7, 2014	
	E. Pre-Qualification Completed: May 23, 2014	
	F. Conflict of Interest Form Submitted to Ethics: February 11, 2014	
	G. Protest Period End Date: TBD	
5.	Solicitations Picked up/Downloaded: 67	Bids/Proposals Received: 6
6.	Contract Administrator: Mark Lu	Telephone Number: 213-922-4689
7.	Project Manager: Thu Nguyen	Telephone Number: 213-922-4490

A. Procurement Background

This Board Action is to approve Contract No. PS56103234. The purpose of this award is to acquire professional services from Sierra Systems for the purposes of upgrading Metro's budgeting system to Oracle Hyperion system.

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

Four amendments were issued during the solicitation phase of this RFP:

- o Amendment No. 1, issued on December 23, 2013, provided additional SBE firms;
- o Amendment No. 2, issued on December 24, 2013, provided the pre-proposal sign-in sheet and Plan holder's list;
- o .Amendment No. 3, issued on January 17, 2014, provided answers to all submitted questions regarding the RFP and extended the due date for the RFP to February 7, 2014;

- Amendment No. 4, issued on January 22, 2014, clarified that the proposal validity date shall be good for a period of 120 days after the proposal due day.

A Pre-Proposal meeting was held on December 23, 2013. One hundred and five (105) questions were asked during and after the pre-proposal meeting. A memorandum was issued on January 17, 2014 to answer those questions. A total of six proposals were received on February 7, 2014.

B. Evaluation of Proposals/Bids

A total of six firms responded to this solicitation. Proposals were evaluated according to the evaluation criteria included in the Request for Proposal. A Proposal Evaluation Committee (PET) consisting of staff representing Information Technology Services, Office of Management & Budget, and Central Maintenance departments was convened and conducted a comprehensive technical evaluation of the proposals received.

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

- Minimum Qualifications:
 - Three (3) or more successfully completed Hyperion projects within the last five (5) years, with at least one of those being Public Sector Planning Budgeting (PSPB) implementation.
 - Project manager must have at least three (3) years demonstrated expertise providing budget software implementation for public sector or a fund-based accounting organization.
 - Proposing company must have at least Gold Partner Certification from Oracle.
 - Need to provide answers to all functional requirements listed in the RFP.

- Implementation and management Approach 30%
- Experience and Qualifications of Proposed Personnel 25%
- Corporate Size and Stability 10%
- Price 25%
- SBE Goals 10%

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 Hyperion budget system upgrade.

Of the six proposals received, three of the six proposals were determined not in the competitive range during the initial evaluation and were not invited for further consideration.

During the months of February, March, and April, the evaluation committee met and interviewed the remaining three (3) Proposers. Each firm's project managers and key team members had an opportunity to present each 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 and demonstrated experience with similar upgrade implementations. Each firm also demonstrated their understanding of the technical requirements associated with the project.

Three firms were within the competitive range and are listed below in alphabetical order:

1. AST Corporation
2. Sierra Systems
3. Zanett Public Sector

Qualifications Summary of Firms Within the Competitive Range:

AST Corporation - The proposed solution uses the Enterprise Domain model (EDM) methodology to manage the implementation and showed understanding of the requirements in Statement of Work (SOW). Proposed personnel possess adequate technical skill, experience, and industry certifications as required. AST has exhibited sufficient implementation experience in Public Sector.

The proposal met the minimum requirements listed in the Evaluation Criteria and also provided sufficient information to meet the criteria of Corporate Size and Stability.

Sierra Systems - The proposed solution utilizes Propel methodology that involves industry best practices and in-house tools. Their approach was highly rated and their proposed timeline supports Metro's budget cycle. Sierra Systems proposed personnel that possess excellent technical skills, and Sierra Systems has demonstrated sufficient public sector experience.

The proposal met the minimum requirements listed in the Evaluation Criteria, and provided sufficient corporate experience. It has completed over 70 Hyperion projects in the past three years.

Zanett Public Sector – The proposed solution utilizes the Real Enterprise Value (REV) methodology that supports the implementation cycle. Their approach meets the requirements in the SOW. Proposed personnel possess adequate technical skill and experience and industry certifications as required.

The proposal met the minimum requirements listed in the Evaluation Criteria, and provided sufficient corporate experience.

The evaluation committee recommended the Sierra Systems' solution based on the higher score achieved.

CONCLUDE WITH THE EVALUATION COMMITTEE'S RECOMMENDATION FOR THE TOP RANKED FIRM AND THE TABLE THAT PROVIDES THE SCORES.

1	FIRM	Average Score	Factor Weight	Weighted Average Score	Rank
2	AST Corporation				
3	Implementation and management Approach	87.23	30%	26.17	
4	Experience and Qualifications of Proposed Personnel	84.33	25%	21.08	
5	Corporate Size and Stability	96.00	10%	9.60	
6	Price	88.32	25%	22.08	
7	SBE Goal	50.00	10%	5.00	
8	Total		100.00%	83.93	2
9	Sierra systems				
10	Work Plan / Project Approach	84.78	30%	25.44	
11	Qualification and Experience of Proposed Personnel	84.33	25%	21.08	
12	Corporate Size and Stability	92.20	10%	9.22	
13	Price	100.00	25%	25.00	
14	SBE Goal	50.00	10%	5.00	
15	Total		100.00%	85.74	1
16	Zanett Public Sector				
17	Work Plan / Project Approach	81.67	30%	24.50	
18	Qualification and Experience of Proposed Personnel	73.67	25%	18.42	
19	Corporate Size and Stability	84.00	10%	8.40	
20	Price	57.12	25%	14.28	
21	SBE Goal	50.00	10%	5.00	
22	Total		100.00%	70.60	3

C. Cost/Price Analysis

The final accepted price has been deemed to be fair and reasonable based on adequate price competition.

After all interviews were completed, the three firms within the competitive range were requested to provide Best and Final Offers (BAFO). The following represents their Initial Firm Fixed Price, BAFO, and Metro's Independent Cost Estimate (ICE):

	Proposer Name	Initial Proposal Amount	BAFO Amount	Metro ICE
1.	AST Corporation	\$2,321,300	\$2,599,320	\$3,000,000
2.	Sierra Systems.	\$2,054,757	\$2,295,200	\$3,000,000
3.	Zanett public Sector	\$3,578,580	\$4,017,266	\$3,000,000

The BAFO prices included options costs

D. Background on Recommended Contractor

The recommended firm, Sierra Systems, located in El Segundo, California, has been in business since 1966. They are considered one of the leaders in the field of IT services. They provide management consulting, systems integration, and managed services tailored to public sector clients. On March 31, 2013, Sierra Systems acquired the Public Sector practice of CederCrestone, Inc. a sister company to Sierra System. The acquired assets include public sector consulting resources, rights to use methodologies, implementation tolls and accelerators, rights to seek assignment of contracts. and rights to reference qualifications. With approximately 900 employees, Sierra Systems has developed expertise and experience in public sector for delivering solutions that strengthen the business operations of organizations.

Sierra Systems has completed similar Hyperion implementation projects in University of Texas system, Houston Community College, City of Omaha, and Douglas County of Nebraska, and over 70 Hyperion projects in the past three years. Sierra System is currently providing Oracle R12 implementation / upgrade services to Denver Regional Transportation District.

E. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 10% Small Business Enterprise (SBE) goal for this solicitation. Sierra Systems US, Inc. exceeded the goal and made an 10.35% SBE commitment.

SMALL BUSINESS GOAL	SBE 10%	SMALL BUSINESS COMMITMENT	SBE 10.35%
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	SBE Subcontractors	% Committed
1.	Senryo Technologies	10.35%
	Total Commitment	10.35%

F. All Subcontractors Included with Recommended Contractor’s Proposal

	Subcontractor	Services Provided
1.	Senryo Technologies	Software Consulting