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17

FINANCE & BUDGET COMMITTEE
SEPTEMBER 18, 2003

Los Angeles County
Metropolitan
Transportation
Authority

SUBJECT: DISASTER RECOVERY PROGRAM

**ACTION: AWARD CONTRACT FOR DISASTER RECOVERY
PROGRAM SERVICES**

One Gateway Plaza
Los Angeles, CA
90012
213.922.6000

RECOMMENDATION

Authorize the Chief Executive Officer to award a ten-year firm fixed price contract, Contract No. PS-9240-1330, to SunGard Recovery Services LP for Disaster Recovery Services, in an amount not to exceed \$2,912,338 inclusive of three two-year options, effective November 1, 2003.

RATIONALE

As the scope of its business functions has grown over the years, MTA has increased the number of computer systems deployed to support its operations. The computer systems utilized to support day-to-day business functions range from scheduling, bus and rail operations, planning, construction, to payroll and general ledger. The reliance on computer technology to automate and control business activities creates significant risk and vulnerability should a disastrous incident occur. To ensure the ability to continue its business operations in an orderly manner with minimal disruption in the event of loss of use or destruction of its computer facilities, MTA requires a business continuity plan inclusive of all its functions, an executable recovery plan and rapid access to an alternate ready-to-use site to re-establish its computer operations.

The recommended award will provide a Business Continuity Plan software program to allow MTA to develop and maintain its Business Continuity Plan. In support of MTA's Business Continuity Plan, Staff will conduct annual testing exercises at the ready-to-use-site. Continuous assessment of current recovery capabilities will facilitate the development of an improvement plan to strengthen MTA's recovery program.

MTA's strategic plan goals include improved transit systems and the implementation of innovative technologies. To accommodate future growth and technology changes, the recommended contract value includes a \$350,000 growth factor to enable the MTA to accommodate future systems in its disaster recovery program.

FINANCIAL IMPACT

The funding of \$149,400 for disaster recovery services are included in the FY 2004 budget in cost center 9220, Information Technology Services, line item 50316, Professional Services. Since this is a multi-year contract, the Chief Information Officer and the Chief Financial Officer will be accountable for budgeting the cost in future years, including any options exercised. In FY03, \$144,800 was expended for subscription to a ready-to-use site service.

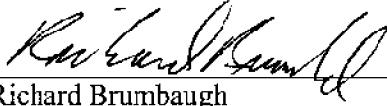
ALTERNATIVES CONSIDERED

The alternative to subscribing to a recovery program service is to establish and maintain your own alternate site. This is not recommend at this time due to the significant costs required to establish and furnish a full functioning site, plus the on-going operational costs to protect and maintain the site in working condition.

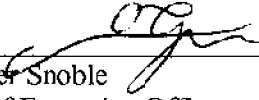
ATTACHMENT(S)

- A Procurement Summary
- A-1 Procurement History
- A-2 List of Subcontractors

Prepared by: Elizabeth Bennett, Chief Information Officer
Patricia Lane-Goodson, Contract Administrator



Richard Brumbaugh
Chief Financial Officer



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

DISASTER RECOVERY SERVICES

1.	Contract Number: PS9240-1330		
2.	Recommended Vendor: SunGard Recovery Services		
3.	Cost/Price Analysis Information:		
	A. Proposed Price: \$ 2,562,338	Recommended Price: \$ 2,562,338	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Firm Fixed Price		
5.	Procurement Dates:		
	A. Issued: March 10, 2003		
	B. Advertised: March 12, 2003		
	C. Pre-proposal Conference: March 20, 2003		
	D. Proposals Due: April 10, 2003		
	E. Pre-Qualification Completed: May 2, 2003		
	F. Conflict of Interest Form Submitted to Ethics: July 16, 2003		
6.	Small Business Participation: Not Applicable		
	A. Bid/Proposal Goal: No SBE Goal Recommended	Date Small Business Evaluation Completed: N/A	
	Contractor Commitment: 0% SBE		
7.	Request for Proposal Data:		
	Notifications Sent: 8	Bids/Proposals Picked up: 2	Bids/Proposals Received: 2
8.	Evaluation Information:		
	A. Proposers Names: SunGard Recovery Services IBM Corporation	<u>Bid/Proposal Amount:</u> \$ 2,562,338 \$ 3,189,626	<u>Best and Final Offer:</u> \$ 2,562,338 \$ 3,189,626
	B. Evaluation Methodology: Competitive Negotiations, Explicit Factors		
9.	Protest Information:		
	A. Protest Period End Date: September 18, 2003		
	B. Protest Receipt Date: TBD		
	C. Disposition of Protest Date: TBD		
10.	Contract Administrator: Pat Lane-Goodson	Telephone Number: 213-922-4639	
11.	Project Manager: Elizabeth Bennett	Telephone Number: 213-922-4522	

**BOARD REPORT ATTACHMENT A-1
PROCUREMENT HISTORY**

DISASTER RECOVERY SERVICES

A. Background on Contractor

Founded in 1978, SunGard, located in Wayne, PA, has been in the disaster recovery services business for over 20 years. SunGard is a global leader in integrated software and processing solutions for financial services. SunGard also helps information-dependent enterprises of all types to ensure the continuity of their business. SunGard serves more than 20,000 customers in over 50 countries, including 47 of the world's 50 largest financial services companies.

SunGard is the current MTA provider for Disaster Recovery Services and has been providing satisfactory service.

B. Procurement Background

Request for Proposal (RFP) Number PS92401330 for Disaster Recovery Services was mailed to eight potential sources and was additionally posted to the Internet on March 10, 2003. This RFP was formally advertised on March 13, 2003 with a proposal response due date of April 17, 2003. Although over 20 companies downloaded the RFP, only two proposals were received.

The evaluation criteria contained in the RFP consisted of minimum qualification requirements and a scoring criterion that was based upon cost, technical proposal compliance, for past experience and qualification of firm. The total points that could be awarded were 100 with the allocation being 40 for cost, 35 for technical competence and 25 for past experience and qualification of firm.

Disaster recovery is a very developed process and once plans are put in place and MTA's critical business processing systems are tested and documented; it is not beneficial for the Agency to switch DRP suppliers. The contract term will be for ten years, inclusive of three two-year options.

C. Diversity and Economic Opportunity Department (DEOD)

The Diversity & Economic Opportunity Department (DEOD) did not recommend a Small Business Enterprise (SBE) participation goal for this procurement. Based on industry practice, the Prime Contractor who is awarded this contact is expected to complete the entire scope with its own workforce. However, pursuant to the SBE Program, if the Prime should utilize the services of subcontractors, they are expected to afford maximum opportunities to SBE firms in all subcontracting and supply services areas throughout the life of the contract.

D. Evaluation of Proposals

The proposals were evaluated by a Source Selection Committee (SSC) and ranked based upon criteria established in the RFP. Both suppliers were found capable from both a technical prospective and past experience and qualification of firm. The SSC recommends contract award to SunGard, the highest scoring, lowest cost Proposer.

E. Cost/Price Analysis Explanation of Variances

	SunGard Proposal Amount	IBM Proposal Amount	MTA Estimate
	\$ 2,562,338	3,189,626	\$3,799,353
Difference \$		\$856,798	\$1,237,015*
%		24%	48%

Effective competition was obtained with proposals from IBM at \$3,189,626, and SunGard at \$2,562,338. Price is deemed fair and reasonable based on price competition.

*Delta in the MTA estimate and Proposals received from IBM and SunGard result from changes in requirements that developed from continuing clarifications and discussions with both Proposers during the proposal evaluation phase. MTA's estimate assumed a fully sustained disaster scenario for six months; the proposals were evaluated using a six-week, fully sustained disaster. Also, MTA's estimate included subsequent system additions/deletions in future years. The BAFO, however, provided an updated specification that addressed known system changes. (e.g., The Mainframe was rescheduled from ten years to one year.) It should be noted that the Board Report recommendation includes a \$350,000 growth factor for future potential system additions and deletions, increasing the total amount from \$2,562,338 to \$2,912,338.

**BOARD REPORT ATTACHMENT A-2
LIST OF SUBCONTRACTORS**

DISASTER RECOVERY SERVICES

PRIME CONTRACTOR SunGard Recovery Services

Small Business Commitment

Other Subcontractors

Not Applicable

Not Applicable

