



OPERATIONS COMMITTEE
JANUARY 18, 2006

SUBJECT: M3 POST-IMPLEMENTATION AND PROGRAMMING SUPPORT

ACTION: AWARD CONTRACT MODIFICATION TO APPLIED DATA SOLUTIONS

RECOMMENDATION

Authorize the Chief Executive Officer to execute Modification No. 3 to Contract No. PS92401712 with Applied Data Solutions to provide post implementation and programming support for a period of 16 months in the amount not to exceed \$300,000 increasing the Total Contract Value from \$121,962 to \$421,962.

RATIONALE

Metro completed the implementation of its Maintenance and Materials Management system (M3) to its Transit Operations unit in December 2005. The prime vendor, Spear Technologies, is scheduled to conclude its engagement in March 2006. To assure a sustained, successful transition to the new system, post-implementation support to the system users and on-going technical training for Metro's personnel are required.

Applied Data Solutions, who served as a sub-contractor to the prime vendor, and developed many of the data interfaces in M3 is uniquely qualified to assist Metro in providing continued post-implementation support and technical training to both the user community as well as the technical staff. Applied Data Solutions has considerable knowledge and experience working with the technology platform on which M3 is built. Also, in its role as a sub-contractor, it has developed strong functional knowledge of the Spear asset management system as well as the manner in which it is configured for Metro's use.

FINANCIAL IMPACT

The funding of \$75,000 for post-implementation and programming support is included in the FY06 budget in 9210, ITS-Information Management, under Maintenance and Material Management System, project number 207036, task number 01.01. Since this is a multi-year contract, the Chief Financial Officer and Chief Information Officer will be accountable for budgeting the cost in future years. To date, \$96,290 has been expended on the contract.

ALTERNATIVES CONSIDERED

The alternative is to not provide on-going post-implementation and programming support to Transit Operations staff. This is not recommended as it precludes Metro's ability to gain proficiency in the use of M3. Without proper and sustained support, Metro will be unable to realize the full potential of its investment in an enterprise resource planning tool to maximize use of its resources.

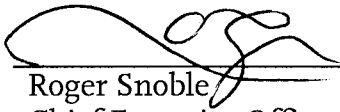
ATTACHMENT(S)

- A. Procurement Summary
- A-1. Procurement History
- A-2. List of Sub-Contractors

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Deputy Executive Officer, Procurement
M3 Tiger Team Lead



Bruce Feerer
M3 Tiger Team



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

AWARD CONTRACT TO APPLIED DATA SOLUTIONS

1.	Contract Number: PS92401712		
2.	Recommended Vendor: Applied Data Solutions		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$85.00 per hour (NTE \$300,000)	Recommended Price: \$85.00 per hour (NTE \$300,000)	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Time & Material		
5.	Procurement Dates:		
	A. Issued: N/A Contract Modification (period of performance extended)		
	B. Advertised: Not Applicable		
	C. Pre-proposal Conference: Not Applicable		
	D. Proposals Due: Not Applicable		
	E. Pre-Qualification Completed: June 27, 2005		
	F. Conflict of Interest Form Submitted to Ethics: December 19, 2005		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 0%	Date Small Business Evaluation Completed:	
	B. Small Business Commitment: 0% Details are in Attachment A-2		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: Not Applicable	Bids/Proposals Picked up: Not Applicable	Bids/Proposals Received: Not Applicable
8.	Evaluation Information:		
	A. Bidders/Proposers Names: Applied Data Solutions	<u>Bid/Proposal Amount:</u> \$85.00 per hour	<u>Best and Final Offer Amount:</u> \$85.00 per hour
	B. Evaluation Methodology: Describe Methodology Details are in Attachment A-1.C		
9.	Protest Information: Not Applicable		
	A. Protest Period End Date:		
	B. Protest Receipt Date:		
	C. Disposition of Protest Date:		
10.	Contract Administrator: Pat Lane-Goodson	Telephone Number: 213-922-4639	
11.	Project Manager: Bruce Feerer	Telephone Number: 213-922-1456	

BOARD REPORT ATTACHMENT A-1
PROCUREMENT HISTORY

POST-IMPLEMENTATION AND PROGRAMMING SUPPORT

A. Background on Contractor

Applied Data Solutions (ADS), located in Oak Park, California, began operations as a Technical Services provider in 1999. ADS is owned and operated by Craig Davis. The primary areas of expertise the company provides is Oracle level development and programming, functional end-user application support and end-user training.

Prior to the existing contract with Metro, ADS was a sub-contractor to Spear Technologies beginning in March 2003 for the implementation of the M3 (Spear 3i) application. The requirements of this sub-contract were to perform data conversion of the MMS data, develop interfaces to existing legacy systems and provide end-user functional support during the implementation phase. ADS successfully converted all MMS data and developed interfaces to ASRS, ASAP Automations Carousel system and FIS project accounting. ADS have expert level technical and functional knowledge of the Spear 3i application.

Since 1999, Applied Data Solutions has been awarded and successfully completed contracts for the United States Marines, Boeing North America and Kaiser Electroprecision. Each of these contracts consisted of providing technical expertise for the conversion of legacy data, developing interfaces to existing legacy applications and technical project management.

B. Procurement Background

This is a non-competitive modification to an existing contract. Under this Time-and-Material contract, ADS has been providing Metro with end-user support, technical support, programmatic solutions, data interfaces, training, and system/data analysis for the M3 Implementation Project. This contract action facilitates on-going and continued support to the M3 Project Manager during post-implementation of the M3 System.

A Determination & Finding was prepared and approved to execute a non-competitive action with ADS. As a sub-contractor to Spear Technologies (M3 contractor), ADS is positioned to provide post-implementation support services to Metro. Due to the programming work performed for Spear during the last year, ADS has gained both functional and technical expertise in M3, including the ASRS interface that supports the inventory function. Although the M3 proprietary software for which maintenance and support is the intellectual property of Spear, ADS, as subcontractor, was the primary technical consulting firm for the inventory interface.

The Small Business Unit did not recommend a Small Business Enterprise participation goal for this procurement. The Contractor is expected to continue completing the entire scope with its own workforce.

C. Evaluation of Proposals

This is a follow-on effort to a non-competitive contract action. As such, no other proposals were solicited.

D. Cost/Price Analysis Explanation of Variances

The recommended price has been determined to be fair and reasonable based upon comparison to previous price history as follows:

Bid/Proposal Amount	MTA Estimate	Recommended/Negotiated Amount
\$85.00/hr	\$85.00/hr	\$85.00/hr

In the initial procurement, ADS proposed a labor rate of \$85.00 per hour, and the rate remains consistent for this period of performance extension. This rate was initially evaluated and deemed fair and reasonable on the basis of:

1. Comparison to previous price history; and
2. Comparison to other firms who submitted proposals in support of similar efforts. More specifically, the Computer Programming and Database Bench RFP (PS9210-1088).

Comparisons are delineated below.

1) Comparison to previous price history

In support of the M3, Spear Technologies contracted with numerous small businesses firms to provide systems analysis/data processing tasks. ADS, one of the subcontractors to Spear, was billed by Spear at a rate of \$98.23 per hour for the M3 project. Other analysts' performing similar duties for Spear billed at the rates denoted below:

Mike Chang Spear sub rate	ADS Spear sub rate	Greg Sanders Spear sub	Spear Technology General Hourly Rate (as proposed on changes)
\$69.00	\$98.23	\$115.00	\$134.82

As noted above, ADS' proposed rate for this contract (\$85.00) is lower than the hourly burdened rate utilized by Spear. ADS' rate is also competitive with the other contractors utilized by Spear on this contract. It should be noted that the

initial contract award to Spear was deemed fair and reasonable on the basis of adequate price competition.

2) Comparison to other firms

The following Programmer (Systems Analysts) rates were received for the Computer Programming and Database Bench RFP.

TRA	Completion Corp	APR Consulting	Booz-Allen
\$58.15	\$78.00	\$87.15	\$102.35

ADS' proposed rate for this contract is within an acceptable competitive range of contractors who proposed similar programming tasks on the Computer Programming Bench.

ADS is a small business. Tasks performed for Metro will be conducted in-house. As such, ADS realizes low overhead costs, which are reflected in the lower rate than that used by Spear. There are no additional charges for travel.

Based on the above analysis, price is deemed fair and reasonable for the tasks proposed for this contract.

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

POST-IMPLEMENTATION AND PROGRAMMING SUPPORT

Small Business Commitment

Other Subcontractors

Total Commitment: 0%