



Metro

**FINANCE AND BUDGET COMMITTEE
NOVEMBER 15, 2006**

SUBJECT: ADVANCED BENEFITS SYSTEM IMPLEMENTATION

**ACTION: AWARD CONTRACT TO APPLICATION SOFTWARE TECHNOLOGY
 FOR IMPLEMENTATION SERVICES**

RECOMMENDATION

Authorize the Chief Executive Officer to award a firm fixed price contract, Contract No. PS92401749, to Application Software Technology (AST) Corporation to provide software implementation services for a period of 18 months in an amount not to exceed \$474,640, effective February 1, 2007.

RATIONALE

In May 2003, Metro upgraded to Oracle's E-Business Suite of applications which gave access to the Human Resources, Advanced Benefits and Real Estate applications, in addition to the existing financial applications already in use. The Oracle Real Estate application was implemented in October 2004 and the Human Resources application was implemented in May 2005.

This award is to acquire the assistance of AST to implement the Advanced Benefits application for the Pension & Benefits Department. The ability to use the Advanced Benefits application will also complete the E-Business Suite implementation. Advanced Benefits will automate many of the routine tasks associated with benefits administration such as date tracking, processing life events, auditing and reporting eligibility classifications and changes. It also supports Open Enrollment by providing the ability to bundle together packages of benefits from which the employees in each bargaining unit, or benefit group, can choose. These features will simplify the administration and management of the multiple benefit groups and provide an improved quality of service to the employees and retirees.

BACKGROUND

The Metro Pension & Benefits Department administers the benefits for the non-contract, Teamsters and AFSCME employees and retirees. As a result of the 2003 collective

bargaining, the Pension & Benefits Department acquired the responsibility of benefits administration for the Amalgamated Transportation Union (ATU) and the Transportation Communications Union (TCU) members. This addition has doubled Metro's benefits administration workload from 3,000 to 6,000 employees and retirees. Additionally, the Pension & Benefits Department processes payments to the respective union's Health & Welfare Trust Funds to provide health benefits to roughly 10,000 represented active and eligible retired employees.

ALTERNATIVES CONSIDERED

The alternative is to not implement the Advanced Benefits application. This is not recommended as Metro will accrue no benefits from its right to access the application. It also precludes Metro's ability to automate many of the repetitive tasks required to administer employee benefits. Due to the size of the employee population for which benefits are being administered, the inability to automate routine tasks will result in the need for additional personnel.

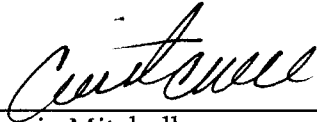
FINANCIAL IMPACT

The funding of \$180,000 for this implementation service is included in the FY07 budget in cost center 9230, ITS-System Architecture & Integration, under project 207018, Application Platform Upgrade. Since this is a multi-year contract, the Executive Officer, Procurement & Material Management, and the Chief Information Officer will be accountable for budgeting the cost in future years.

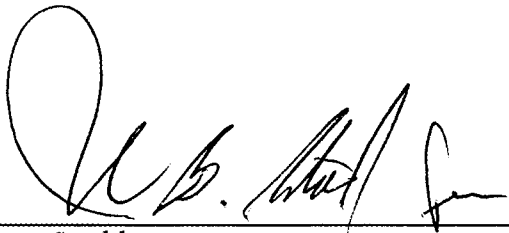
ATTACHMENT

- A. Procurement Summary
- A-1. Procurement History

Prepared by: Elizabeth Bennett
Chief Information Officer



Lonnie Mitchell
Executive Officer
Procurement & Material Management



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

ADVANCED BENEFITS SYSTEM IMPLEMENTATION

1.	Contract No.: PS92401749		
2.	Recommended Vendor: Applications Software Technology (AST) Corporation		
3.	Cost/Price Analysis Information: Firm-Fixed-Price Contract		
	A. Proposed Price: \$474,640	Recommended Price: \$474,640	Independent Estimate: \$390,000
	Audit or Cost/Price Analysis: N/A		
	B. Explanation of Significant Variances: The Independent Estimate was based on old labor rate data and underestimated the technical development hours required to complete the statement of work. AST's price is approximately \$82,000 lower than the next proposer's price, and approximately \$372,000 lower than the highest proposer's price.		
4.	Historical Amount: N/A		
5.	Contract Type: Firm-Fixed-Price		
6.	Procurement Dates:		
	A. Issued: April 24, 2006		
	B. Publicized: April 26, 2006		
	C. Pre-proposal Conference: May 17, 2006		
	D. Proposals Due: July 21, 2006		
	E. Pre-Qualification Completed: July 31, 2006		
	F. Conflict of Interest Form Submitted to Ethics: October 5, 2006		
7.	Small Business Participation:		
	A. %Goal in RFP: None	Date Small Business Evaluation Completed: N/A	
	B. Contractor Commitment: N/A		
8.	Request for Proposal Information:		
	# Notifications Sent: 48	# Proposals Picked up: 22	# Proposals Received: 4
9.	Evaluation Information:		
	A. Listing of Proposers: Vendor Name: AST Corp. KBACE, Inc. PI Technology, Inc. Solbourne, Inc.	Proposal Amount: \$474,640 \$557,100 \$737,595 \$846,423	BAFO Amount: Not applicable
	B. Evaluation Methodology: Explicit Factors		
10.	Protest Information:		
	A. Date Protest Period Ended: November 12, 2006		
	B. Date Protest Received: TBD		
	C. Disposition of Protest & Date: TBD		
11.	Contract Administrator: Leyton Morgan	Telephone No.: 922-4114	
12.	Project Manager: Norm Haddock	Telephone No.: 922-4549	

BOARD REPORT ATTACHMENT A-1 PROCUREMENT HISTORY

ADVANCED BENEFITS SYSTEM IMPLEMENTATION

A. Background on Contractor

Established in 1995, Applications Software Technology (AST) Corporation specializes in full service Oracle applications development. AST has built its practice to commercial and public sector clients by providing high quality, full life-cycle and turn-key consulting services for Oracle applications implementations and upgrades. AST is based in Naperville, Illinois, with a regional office in Woodland Hills, California.

B. Procurement Background

The procurement was a standard Request for Proposals (RFP) and recommendation for award of contract is being made to the proposer with the highest technical score and lowest price using the explicit factors methodology.

The Diversity & Economic Opportunity Department (DEOD) did not recommend a Disadvantaged Business Enterprise participation goal for this competitive procurement due to the lack of subcontracting opportunities.

C. Evaluation of Proposals

In accordance with Metro Procurement Policies and Procedures, the Source Selection Committee conducted a comprehensive technical evaluation of the proposals. The proposals were first reviewed to determine responsiveness to this RFP as identified in the section titled evaluation criteria. Procurement staff deemed all four proposers responsive. Each had excellent experience and qualifications. As part of the evaluation process, the Source Selection Committee interviewed each of the proposers. All four proposers demonstrated the ability to successfully perform the statement of work. The lowest price was the deciding factor in making the final award recommendation.

D. Cost/Price Analysis Explanation of Variances

The winning proposal was determined to be fair and reasonable based upon adequate price competition.

