

RIVERSIDE TRANSIT AGENCY
1825 Third St.
Riverside, CA 92507

January 27, 2005

TO: BOARD OF DIRECTORS

THRU: Larry Rubio, Chief Executive Officer

FROM: Vince Rouzaud, Director of Purchasing and Materials Management

SUBJECT: Authorization to Award a Contract to Mercury Technology Group for the Upgrade of the Agency's Software System from Oracle 11.0.3 to Oracle 11i (Version 11.5.9)

Summary: At the February 24, 2000, Board of Directors meeting, the Board authorized staff to award a contract for the purchase and implementation of a new Information Management Software System. The new software was comprised of (2) separate platforms: Oracle Financials and Spear Inventory/Maintenance. The software contained modules for each of the functional areas including finance, budgeting, accounting, payroll, grants management, fixed assets, inventory control, purchasing, human resources, and vehicle maintenance.

Since implementation, there have been a series of upgrades and new releases of the Oracle e-business suite. These releases have resulted in increased user functionality and coding improvements. Oracle release 11i provides state of the art management systems and is the standard system package used in both the private and public sector.

One of the Agency's goals is to reduce costs through improved efficiencies. Additionally, a recent Triennial Audit report included a recommendation to develop methods to create budgetary goals that are linked to service productivity. Agency initiatives to attain these goals include, but are not limited to; development of an automated grant billing process; direct charging of staff labor to unique capital projects; and, automated application of overhead costs to direct activities. Functionality contained in the Projects and Grants module in release 11i will provide the tools necessary to begin development of these processes and will allow for the greatest level of system support and maintenance from the Oracle system support team. Additional functionality is discussed below:

- System Administration - Simplified patching (bug fixes); Ability to combine patches from different modules and apply simultaneously shortens system downtime.
- Payroll – Simplified processing rules allows for easy setup of complex staff vacation accrual plans.
- Human Resources – Advanced Benefits allows automated management of “life events” (marriage, childbirth, etc.) and vastly simplifies supplying benefit information given to employees, insurance brokers, and Medi-Cal.
- Financials - Increased ad-hoc reporting capabilities and flexibility in General Ledger Financial Statement Generator. 11i Accounts Payable/Purchasing allows association of freight, tax, and miscellaneous charges with the related material item charges, a manual process in current release. Implementation of Projects/Grant Management modules include new costing and billing functionality.

In addition to 11i having greater functionality, Oracle requires their clients to stay as current as possible with product releases in order to continue to receive system support under their software maintenance agreement.

On March 12, 2004, Request For Proposals (RFP) 3-022 was issued to twenty-nine (29) prospective vendors. In addition, a public notice of the RFP was published in a local newspaper of general circulation. The RFP requested prospective vendors provide fixed pricing to complete the entire upgrade process from Oracle 11.0.3 to Oracle 11i and implement the new Grants and Projects Module.

Four responsive and responsible proposals were received by the following firms:

- Silkroad Software & Services, Inc. (SRS 2)
- Applications Software Technology Corporation (AST)
- Mercury Technology Group
- Solbourne

An Evaluation Committee representing Purchasing, Finance, and Information Technology evaluated the four proposals.

The RFP specified the winning proposal would be selected based upon the firm's:

- 1) Qualifications and Related Experience;
- 2) Staffing and Project Organization;

- 3) Work Plan;
- 4) Completeness of Response; and
- 5) Cost and Price

In evaluating which vendor’s proposal offered the best technical solution at the lowest possible cost, staff carefully weighed each proposal against the evaluation criteria. AST Corporation, Mercury Technology Group, and Solbourne were short-listed and invited to come in and give oral presentations to the committee. This also provided the three finalists with an opportunity to gather more information on the complexities of RTA’s Oracle system. At the conclusion of the oral interviews, Best and Final Offers were solicited from all three firms. The Best and Final Offers are as follows:

AST Corporation	\$873,000
Mercury Technology Group	\$593,680
Solbourne	\$600,070

The proposal submitted by AST Corporation received the highest technical rankings by the committee; when pricing and interview scores were added to the weighted evaluation, AST Corporation and Mercury Technology Group became the top ranked firms with Solbourne in third place. The Best and Final Offer of the highest ranked firm, AST Corporation, was deemed to be out of the competitive range and was excluded from further consideration.

As a result, Mercury Technology Group’s price proposal and technical solution offers the Agency the highest quality service at the lowest possible cost. Members of the evaluation committee concur that their solution is the most cost efficient and effective means of addressing the Agency’s Oracle Upgrade Project. The firm’s final rankings are as follows:

VENDORS	Technical Scoring	Interview Scoring	Price Scoring	TOTAL SCORING
AST Corporation	335.4	335.0	68.0	738.4
Mercury Technology Group	252.5	374.0	100	726.5
Solbourne	245.0	283.5	98.9	629.4

Staff originally intended to present this procurement to the Board of Directors for consideration at the July 22, 2004, Board of Directors meeting, however, this project had to be postponed until the Agency's FY 2004 federal grant appropriations were approved. Staff has received confirmation from Mercury Technology Group that their proposal pricing is still valid.

Fiscal Impact:

Funding for the Oracle Upgrade project was included in the Agency's FY 2004 capital budget and is as follows:

CA-90-Y272 FY 2004:	\$407,400
02S-RT08 FY 2002 100% STA:	\$157,172
99S-RT06 FY 1999 100% STA:	\$ 36,954
TOTAL:	<u>\$601,526</u>

Recommendation:

This item was discussed at the Board Budget and Finance Committee meeting of January 5, 2005. The Committee members unanimously approved recommending this item to the full Board of Directors for their consideration as follows:

- Authorize staff to enter into an agreement with Mercury Technology Group to upgrade the Agency's Oracle Information Management System from release 11.0.3 to release 11i and implement the Grants and Projects Management module at a cost not-to-exceed \$593,680 plus \$7,846 to be used as a contingency.