


RIVERSIDE TRANSIT AGENCY
1825 Third St.
Riverside, CA 92507

October 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 (MTG) to Provide Oracle Managed Service Support/Hosting Services for Oracle E-Business Suite, Databases, and Related Servers

Summary: The Agency has utilized the services of an outside consultant for database administration and Oracle E-Business Suite (Oracle) troubleshooting since May 2001. System administration and lower level maintenance is performed by Agency staff. Oracle software runs the Agency's information management applications which include finance, budgeting, accounting, payroll, grants management, fixed assets, inventory control, purchasing, human resources, and vehicle maintenance.

At the January 20, 2005, Board of Directors meeting, the Board authorized a contract award to MTG to Upgrade the Agency's Software System from Oracle 11.0.3 to Oracle 11i (Version 11.5.9). This new version is much more complex and requires a higher level of skills across multiple disciplines than the previous version. The number of hours required in these skills, however, does not justify adding several full time positions. It is more cost effective to continue to outsource the administration and maintenance of the Agency's Oracle databases along with the operating system that these systems run on. Outsourcing these functions allows the Agency to get the highest level of support at the lowest possible cost.

On August 5, 2005, Request For Proposals (RFP) 05-015 was issued to twenty-six (26) 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 for Oracle Managed Service Support/Hosting services for a two-year base period with three one-year options.

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

- Mercury Technology Group
- Oracle

The proposals were evaluated by an evaluation committee representing staff from both purchasing and information technologies.

Oracle's proposal received the lowest technical ranking by the committee for the following reasons:

- Did not provide references
- Did not name an individual as project manager
- Did not identify key personnel that would be assigned to RTA's account

The proposal submitted by MTG received the highest technical rankings by the committee.

The RFP requested the vendor provide annual pricing for a two-year base period with three one-year option periods. MTG provided fixed pricing for the full 5-year period while Oracle would only commit to fixed pricing for the first year of the agreement. Pricing for years two through five would be subject to Oracle pricing in effect at that time.

	Oracle	MTG
Base Year One	\$50,040	\$59,940
Base Year Two	\$52,041	\$59,940
Subtotal	\$102,081	\$119,880
Option Year One	\$54,123	\$59,940
Option Year Two	\$56,288	\$59,940
Option Year Three	\$58,539	\$59,940
Total Contract Period	\$271,031	\$299,700

* Oracle pricing for years two through five assumes a 4 percent increase annually. Actual pricing will vary depending upon Oracle pricing in effect at that time.

MTG'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 a cost efficient and effective means of addressing the Agency's needs.

Fiscal Impact:

Funding in the amount of \$59,940 is included in the Agency's FY 2006 operating budget for professional/technical services. Funding for future years will be requested in future year budgets.

Committee Recommendation:

This item was discussed at the Board Budget and Finance Committee meeting of October 12, 2005. The Committee members unanimously approved recommending this item to the full Board of Directors for their consideration.

Recommendation:

Authorize staff to enter into an agreement with Mercury Technology Group to provide Oracle Managed Services/Hosting for a two-year base period with three one-year options at a cost not-to-exceed \$299,700.00.