S T A F F  R E P O R T

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager
SUBJECT: Request to Award Contract – Consulting Services for Installation and Implementation of Ellipse 8 Software

ACTION ITEM

RECOMMENDED ACTION(S):

Consider awarding a contract to AddOns, Inc. ("AddOns") for professional consultant services for implementation of the Ellipse 8 software upgrade portion of the State of Good Repair (SGR) asset management project.

Consider licensing additional software components from ABB Enterprise Software, (ABB).

EXECUTIVE SUMMARY:

This project will upgrade the existing Ellipse system and implement the Enterprise Asset Management system. It will be implemented with two contracts, one (with AddOns) governing software implementation and hosting services, and the other (with ABB) licensing its proprietary VIP™ Platform Integration Tool.

The professional services contract resulted from a competitive proposal procurement authorized by the Board on 11/12/2014. Staff solicited 837 firms via the District website. Two (2) firms responded to the solicitation. Both proposals were evaluated by a panel comprised of representatives from key Ellipse user groups within the District, Information Services, and the Metropolitan Transportation Commission. The panel found the recommended awardee to be superior. The primary factors influencing the panel’s determination were the quality of the proposed work plan and past success in implementing the software.

The software licenses from ABB Enterprise Software are a sole source award, as the software is only available from the manufacturer.

The final implementation services arrangement reached with AddOns is a firm-fixed price contract valued at $1,961,043 with period of performance from contract award for 24 months. Hosting services commence upon completion of the software implementation at a monthly cost of $18,750.00. The District will also incur $129,015.00 in licensing fees and $23,265.00 for annual maintenance from ABB for the platform integration functionality described more fully below.
**BUDGETARY/FISCAL IMPACT:**

The project is funded in the current capital budget using Federal Transit Administration State of Good Repair and District matching funds. The existing project budget is sufficient to award these contracts.

<table>
<thead>
<tr>
<th>Fund Source</th>
<th>% of Budget Bus Asset Management Software</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTA SGR Grant (CA-04-0189)</td>
<td>$2,267,882.40 (80%)</td>
</tr>
<tr>
<td>District Match</td>
<td>$566,970.60 (20%)</td>
</tr>
<tr>
<td>Total Available Funds</td>
<td>$2,834,853.00 (100%)</td>
</tr>
</tbody>
</table>

**BACKGROUND/RATIONALE:**

**Project Description**

This project will upgrade the District’s existing asset management system (Ellipse) and improve its overall functionality. The upgraded system will improve the District’s ability to maintain the bus fleet. In addition, the upgraded system will extend the use of the system to include other assets, such as facilities, bus stops and information technology assets. This will help the District comply with FTA guidance regarding the State of Good Repair program. The District first installed Ellipse (version 5.2.1.2) in 2002, upgraded to its current version 5.2.3.7 in 2005, and has been satisfied with the features and performance of the software.

**Implementation Approach**

Staff intends to implement this project with the two contracts that are the subject of this staff report. The first contract, with AddOns, will provide professional services to install, configure, test the upgraded system, migrate existing data and train the users of the system. The second contract will acquire an additional software integration component from ABB, the manufacturer of the Ellipse system. This additional component will be confirmed during the first phase of the upgrade project.

More specifically as to this software integration tool, it is recommended that the District acquire a license on a sole source basis for the Ventyx Integration Platform, or VIP™, to enhance the functionality of the Ellipse Asset Management System. Basically, this tool streamlines the process by which interfaces between Ellipse and other systems (e.g. PeopleSoft, Hastus) are updated in real-time, eliminating the need for custom coding and nightly batch updates. This module is proprietary to ABB and not available from any other entity.

**Procurement Type and Timeline**

The procurement is fully grant funded and all funds are included in the current capital budget. The procurement used for this subject contract is a competitive proposal also known as a Request for Proposal (RFP) and proceeded according to the time in Table 1; the results of the solicitation are in Table 2.
The recommended implementation contract is a firm-fixed price contract valued at $1,961,043, payable in 21 discrete installments corresponding to specific performance milestones. The estimated period of performance for these implementation services is 411 days, with deployment of Ellipse version 8.5 in production expected for early 2017.

The recommended hosting aspect of this contract contemplates monthly hosting fees in the amount of $18,750, which begin upon completion of the implementation services and continue indefinitely thereafter. The District retains the right to terminate for convenience without penalty during the first year of hosting services, thereafter agreeing to a minimum of two additional years.

It is also recommended that the District acquire a license to utilize ABB’s VIP™ Platform Integration Tool. The licensing fees for this acquisition are $129,015, with annual maintenance running at 22% of said licensing fees, or $23,265 per year.

This contract is not eligible to be a small business set-aside in accordance with Board Policy 351 because, 1) the contract value exceeds $100,000; and 2) it is federally funded and therefore, is not eligible for a Small-Local Business Enterprise Preference.

Award of this contract to the recommended firm would result in zero (0) going to small/local/disadvantaged businesses.

Evaluation Process and Result
As this procurement was conducted as a competitive RFP, staff convened an evaluation panel comprised of representatives from key Ellipse user groups within the District, Information Services, and the Metropolitan Transportation Commission. The panel reviewed the two proposals received, awarding points between 1 ("Poor") and 5 ("Excellent") for each of four technical criteria, weighted as follows:

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Past Experience on Similar Projects</td>
<td>20% of available points</td>
</tr>
<tr>
<td>Past Performance / References</td>
<td>20% of available points</td>
</tr>
<tr>
<td>Proposed Work Plan Schedule, Tasks and Deliverables</td>
<td>25% of available points</td>
</tr>
<tr>
<td>Overall Proposal Presentation</td>
<td>10% of available points</td>
</tr>
</tbody>
</table>

Table 3. Proposal Evaluation Criteria

In addition to these technical criteria (accounting for 75% of all available points), the remaining 25% of possible points were awarded to the firm proposing the lowest aggregate fixed price for the set of implementation services specified in the RFP. The firm proposing the higher aggregate fixed price was allocated a pro rata share of these 25% of possible points, according to the proportional degree of disparity in price (lowest proposed cost divided by higher proposed cost = share of 25% points awardable for pricing proposal).

The panel's final scoring and rankings are shown below in Table 4. They found that the recommended awardee's submissions demonstrated technical and overall superiority, as follows:

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>AddOns</th>
<th>ABB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Past Performance (similar projects)</td>
<td>68</td>
<td>68</td>
</tr>
<tr>
<td>Past Performance / References</td>
<td>82</td>
<td>70</td>
</tr>
<tr>
<td>Proposed Work Plan / Schedule</td>
<td>95</td>
<td>83</td>
</tr>
<tr>
<td>Proposal Presentation</td>
<td>38</td>
<td>34</td>
</tr>
<tr>
<td>Cost / Pricing</td>
<td>65</td>
<td>75</td>
</tr>
<tr>
<td>Total =</td>
<td>348</td>
<td>330</td>
</tr>
</tbody>
</table>

Table 4.

Accordingly, it is recommended that the subject implementation and hosting services contract be awarded to AddOns, Inc.

Additionally, it is recommended that the District license (on a sole source basis) the Ventyx Integration Platform from ABB Enterprise Software. This will give the District real-time interface capability rather than nightly batch jobs. As a part of the core Ellipse system, the integration platform will reduce, if not eliminate, the need for custom coding.

These contractual arrangements will result in correctly configured software that will help the District to consistently estimate the costs to maintain facilities capital assets, improve asset reporting, track parts, track inventory at the Central Maintenance Facility and the Divisions, and perform the other functions needed for fleet and facilities asset management.
ADVANTAGES/DISADVANTAGES:

Award of this contract would permit staff to implement the Board’s direction regarding this project.

ALTERNATIVES ANALYSIS:

Take no action. The Board could opt to maintain the situation as-is, resulting in implementation delays or project termination. The District does not have the technical capability or capacity to provide the services for this contract.

Select an alternate awardee. The Board could override the staff recommendation and award the contract to an alternate awardee. This would lead to unpredictable consequences; among them is an increase in the probability of a protest and potential audit findings.

Order a re-competition. The Board could abandon this procurement and direct staff to re-compete the contract. This would be appropriate if the Board finds that statutory, regulatory or public policy interests have not been satisfactorily addressed by the procurement procedures. This would delay project implementation.

Hire Employees. Rather than contracting out for these services, the District considered hiring additional staff to complete the required work. However, the wide variety of specialists required for this project, many of which are required for a relatively short period of time, makes this alternative economically infeasible.

PRIOR RELEVANT BOARD ACTIONS/POLICIES:

Board Policy 350, Procurement Policy

Board Policy 351, Small and Small Local Business Enterprise Policy

SR 12-148, Consider approving contract award to Parsons Brinkerhoff for the State of Good Repair project to update the District’s maintenance plans for revenue vehicles and facilities

ATTACHMENTS:

1: None

Executive Staff Approval: Dennis W. Butler, Director of Capital Projects
Reviewed by: Denise C. Standridge, General Counsel
Claudia Allen, Chief Financial Officer
Jon Medwin, Director of Procurement and Materials
Tom O’Neill, Chief Information Officer
Prepared by: Michael Daly, Contract Specialist