STAFF REPORT

TO: Alameda-Contra Costa Transit District
FROM: Michael A. Hursh, General Manager
SUBJECT: Contract Award for Financial Planning and Budget Management System

ACTION ITEM

RECOMMENDED ACTION(S):

Consider approving the award of a Software Implementation and Subscription Agreement to RSM US LLP for the Prophix Corporate Management System.

BACKGROUND/RATIONALE:

The District’s current budgeting process limits the ability to track historical data; requires undue time to compile data; and makes it difficult to share budget and financial data within the organization.

After an assessment of the District’s needs and an investigation of the capabilities of current available software, staff sought and received Board approval to solicit proposals for a software system that will:

- Handle a high level of complexity in planning personnel and capital project budgets;
- Enable ready access to historical, current, and projected financials; and
- Be intuitive and easily accessible to users from diverse technical backgrounds.

The Purchasing Department issued a Request for Proposals on November 23, 2016. Two hundred and thirty prospective firms in the general domain of financial planning software and systems were notified of the solicitation, which garnered seven proposals. Three of the proposals met all the pass/fail criteria and were advanced for scoring.

A team of five internal stakeholders and one external evaluator assessed the qualifying proposals according to the first three of the following criteria. The final evaluation score was then determined using the evaluation scoring, the cost, and the weighting of each criteria.

- System Planning Capabilities and Data Maintenance (33 percent)
- System Reporting, Analysis and General Features (20 percent)
- Technology and Scheduling Capabilities (17 percent)
- Proposed Cost (30 percent)

The proposal received from RSM was deemed superior on nearly every point of consideration, as shown by the table below. The costs of the top two proposals after the evaluation were similar and did not change the rankings after the evaluations by the review team. Including an initial three years of licensing and support, the cost proposal offered by RSM is in line with the Independent Cost Estimate of $700,000.
Staff anticipates sending a Notice to Proceed letter in June. Project initiation can begin as early as June 19, 2017. Implementation of the new budget system is scheduled to be completed in November 2017 based on the Mid-June start date. Completion in November or December 2017 would allow staff to use the new system to develop the Mid-Year Budget for FY 2017-18 and Operating Budget for FY 2018-19.

**BUDGETARY/FISCAL IMPACT:**

The total contract award for implementation, licensing, and hosting is $699,232, which is available within the current Capital Budget. Implementation of the system will cost approximately $338,000, and the remainder will be used for licensing and hosting over the initial three-year period.

**ADVANTAGES/DISADVANTAGES:**

Professional budgeting software offers many advantages to the District’s planning processes. It will help with planning personnel expenses more quickly and accurately; plan and project capital project cash flows; budget for individual line items; centralize budgeting and financial data in a system designed for usability; and manage the budget review and approval process much more efficiently.

Staff has noted no significant disadvantages.

**ALTERNATIVES ANALYSIS:**

The alternative is to continue with the current processes that uses Excel as the budget preparation and analysis tool. While these methods work, as the District grows in size and complexity the analysis and data gathering become more time-consuming and error prone. Staff often sees the need for more sophisticated analysis of various aspects of agency finances that are not practical using the current processes based on Excel.

**PRIOR RELEVANT BOARD ACTION/POLICIES:**

Staff Report 16-260: Solicitation for Financial Planning System
ATTACHMENTS:

None

Approved by: Claudia L. Allen, Chief Financial Officer
Reviewed by: Denise C. Standridge, General Counsel
Chris Andrichak, Director of Management and Budget
Sharon Dennis, Acting Director of Procurement
Thomas O’Neill, Chief Information Officer
Prepared by: Kyle Spradling, Senior Project Manager
Mary Archer, Project Manager