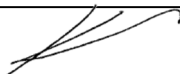


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Alameda Corridor Transportation Authority

October 29, 2020

To:	Governing Board
From:	Kevin L. Scott, Chief Financial Officer 
Subject:	<i>Approval of Agreement No. C0894 with Arctic Information Technology, Inc. (APPROVAL)</i>

Recommendation:

Approve Agreement No. C0894 with Arctic Information Technology, Inc. (Arctic IT) in an amount not-to-exceed \$402,180 for a five-year period term; and authorize the Chief Executive Officer or Chief Financial Officer to execute the agreement. Agreement C0894 provides an option for an additional five year renewal, which will require subsequent approval of the Governing Board.

Discussion:

Background

The Alameda Corridor Transportation Authority (ACTA) has utilized its current Enterprise Resource Planning (ERP) based accounting system, Integrated Financial Accounting System (IFAS), since 1997. In order to maintain an operable system with modern, updated features, ACTA solicited proposals seeking a fully integrated, comprehensive solution from qualified proposers. The preferred software should be able to meet ACTA's accounting system requirements without supplemental or customized additions. Moreover, the selected system should provide a user-friendly system along with strong workflow features in order to automate procedures that are currently handled manually.

The new enterprise system is anticipated to operate over web-based technologies. The application modules that ACTA is seeking to acquire and implement include:

- Purchasing (including contracts and encumbrance management)
- Accounts Payable
- Accounts Receivable
- Fixed Asset Management
- Cash Management



- Project Accounting/Job Costing
- Budgeting and Forecasting
- General Ledger Accounting and Close Management
- Financial and Management Reporting

ACTA wishes to procure and deploy a replacement system with a vendor that has a proven track record and a strong reputation for customer satisfaction and service. Specific procurement goals included the following:

- Integrate business processes and systems, and eliminate manual and redundant functions.
- Streamline business processes.
- Replace aging software system capabilities.
- Equip the entire organization with information to improve operational productivity.
- Enhance the ability to process business transactions and reporting.
- Enhance functionality to provide more efficient and effective reporting in all areas of the business.
- Provide comprehensive and easy-to-use query and outcome analysis.
- Implement a flexible, stable, and reliable system capable of accommodating future changes in the organization.
- Acquire and implement a software solution that meets the company’s needs through “off-the-shelf” capabilities.
- Acquire a well-supported system from a financially stable vendor with adequate resources to upgrade and maintain the new system over the long-term.

Competitive Selection Process

ACTA invited the submission of proposals to provide an ERP based accounting software system and related services. The installation and implementation of the software shall commence after a contract is approved by the ACTA Governing Board.

ACTA posted a Request for Proposals (RFP) for an ERP accounting software system to its website and advertised in two local publications that the RFP was available for review. The RFP was also posted by the Port of Los Angeles, Port of Long Beach and the City of Los Angeles on their respective contracting opportunities websites.

ACTA established a six-member review panel consisting of ACTA’s Chief Financial Officer; Controller; Director of Systems, Revenue and Finance; Principal Accountant; Financial Systems, Payables Manager; and a Financial Manager from the Port of Los Angeles. ACTA’s accounting firm, Moss Adams, assisted the review panel during the selection process.

Twelve proposals were received on or before the September 16, 2020 due date. Of these, three were found to be non-responsive and were disqualified. Of the nine qualifying firms, each firm was evaluated on the basis of Company Qualifications and Experience; Project Organization;

Personnel and Staffing; System Requirements; Project Management; Costs; and Clarity and Comprehensiveness of Proposal. After review of all proposals received, the top four scoring firms were selected to provide a demonstration of their product. At the end of the selection process, Arctic IT received the highest final score and is the recommended firm to provide the software and services. A scoring matrix for the selection process is attached to this board report (Transmittal 1).

The proposed agreement will include the initial purchase, implementation, and training of a new accounting software system, followed by on-going support and maintenance of the system. The proposed term of the agreement is five years from the date of execution of the Agreement with one optional Board approved five-year renewal period. The proposed scope of services contains limitations on the Consultant’s liability for services and third-party software licenses, namely a \$2 million cap on claims other than personal or property damages, a \$5 million cap on claims for confidential information/loss of data claims and a limit of consequential damages to the extent allowed by law.

As shown in the chart below, the Five-Year Cost of Operation proposed by Arctic IT will be \$402,180.

Type of Cost	Proposal
Annual License Subscription	\$31,836
Implementation	\$159,000
Ongoing Support	\$16,800
Sub-Total First Year Operational Cost	\$207,636
All Licensing and Support Years 2 through 5	\$194,544
Total Five-year Cost of Operation	\$402,180

Based upon Arctic’s cost proposal, ACTA staff has determined that there is a not-to-exceed compensation amount of \$402,180 for a five-year term agreement, with one five-year renewal option if approved by the Governing Board. The proposed cost represents a significant decrease in price cost from the last ERP contract which cost over \$200,000 per year for licensing and support, compared to less than \$50,000 proposed by Arctic.

The Board is asked to approve the proposed Agreement No. C0894 with Arctic and authorize the Chief Executive Officer or Chief Financial Officer to execute the Agreement for the ERP software and related services (Transmittal 2).

Budget Impact:

ERP costs of \$207,636 for the current fiscal year are included in the FY21 Program and Operating Budget.

Co-General Counsel:

ACTA's Co-General Counsel has reviewed and approved the proposed Agreement as to form.

Transmittals:

Transmittal 1 – Scoring and Ranking Matrix

Transmittal 2 – Agreement No. C0894 with Arctic Information Technology, Inc.