


M E M O

Alameda Corridor Transportation Authority

To: Governing Board
Meeting Date: December 8, 2022
From: Kevin L. Scott, Chief Financial Officer 
Subject: APPROVE Cancellation of Agreement C0894 with Arctic Information Technology, Inc.

Recommendation:

Authorize the Chief Executive Officer or his designee to cancel Agreement C0894 with Arctic Information Technology, Inc. (Arctic), as the Agreement is no longer necessary because a replacement contract with Sparkrock U.S., Inc. doing business as Sparkrock ("Sparkrock") for the same accounting system services, as approved by Governing Board on October 13, 2022. If approved, the Chief Executive Officer will carry out cancellation of Agreement C0894 through written notification to Arctic pursuant to the terms of the Agreement.

Discussion:

In October 2020, the Governing Board approved Agreement C0894 with Arctic Information Technology, Inc. ("Arctic") to provide and implement a new accounting system known as *Sparkrock 365*. Arctic provided initial services to implement the new accounting system with a transition to the new system by January 1, 2021. Services remaining under the contract after initial implementation included final implementation services, followed by annual maintenance and support services. The term of the agreement was for an initial five years to 2025, with one option to renew for an additional five-year period to 2030.

Although the agreement with Arctic was serving ACTA's needs, earlier this year Arctic informed ACTA that, due to a business reorientation of the firm, it would no longer provide customer support for *Sparkrock 365*. Arctic arranged to have Sparkrock, the underlying developer of *Sparkrock 365*, provide ACTA with temporary support services for the accounting system. Due to Arctic no longer supporting *Sparkrock 365*, in October 2022 the Governing Board approved an agreement with Sparkrock for continuation of the *Sparkrock 365* services. Therefore, staff recommends that the Governing Board approve cancellation of the Agreement with Arctic as the services with this firm are no longer available. Under the terms of Agreement C0894, the Board may elect to cancel the Agreement for any reason, by ACTA's CEO providing ten (10) days' advance written notice to Arctic. Formal written notice to Arctic that ACTA has elected to cancel the Agreement will allow ACTA to administratively close Agreement C0894.

Budget Impact:

There is no direct impact to ACTA budget by this action.

Co-General Counsel Review:

ACTA's Co-General Counsel has reviewed this board report and there are no legal issues at this time.

