

**Metropolitan Transportation Commission
Administration Committee**

June 12, 2024

Agenda Item 3a-24-0641

Enterprise Resource Planning (ERP) Program Update and Contract Actions:

- i. Purchase Order - Oracle Cloud Subscription Services: Mythics, LLC/ Mythics VIII, LLC (\$2,600,000);**
 - ii. Purchase Order – Oracle System Integration Services: Mythics, LLC/ Mythics VIII, LLC (\$8,500,000); and**
 - iii. Purchase Order Amendment - Enterprise Resource Planning (ERP) Strategic Advisory Services and Implementation Support: Slalom, Inc. (\$2,500,000)**
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Subject:

Provide update on the Enterprise Resource Planning (ERP) Program and request approval of the following contract actions:

- i. Purchase Order - Oracle Cloud Subscription Services: Mythics, LLC/ Mythics VIII, LLC (\$2,600,000);
- ii. Purchase Order – Oracle System Integration Services: Mythics, LLC/ Mythics VIII, LLC (\$8,500,000);
- iii. Purchase Order Amendment - Enterprise Resource Planning (ERP) Strategic Advisory Services and Implementation Support: Slalom, Inc. (\$2,500,000)

Background:

At the March 2024 Administration Committee meeting, staff provided an update on the ERP Program including the preliminary ERP capital budget. An ERP System is software that integrates various business functions (such as Finance, HR, Contracts, Projects, Grants) into one complete system to streamline processes and information across the entire organization. The ERP implementation is expected to be phased over two years and will require funding for licensing, consulting, system integration support, and staffing backfill to implement the preferred solution. The cross-functional core project team includes MTC staff experts on project management, technology, security, user experience, stakeholder engagement, finance, human resources, contracts/procurement, and is supported by a broad stakeholder group representing the diverse roles and responsibilities across MTC. Derek Hansel, Chief Financial Officer, and Nick Roethel, Chief Operating Officer, oversee the project.

ERP Program Status:

Since March, the project team established the ERP Steering Committee, consisting of Agency section directors, to provide strategic direction, governance, risk management, resource allocation, and change leadership support. Additionally, the project team, along with project advisor Slalom, Inc., performed an analysis of business processes and data mapping in preparation for ERP implementation, and continued to engage stakeholders and refine change management processes.

Following completion of the procurement process for the ERP software vendor (Oracle Corporation) in February, staff conducted a procurement for the System Integrator to implement the ERP solution. Based upon these two procurement processes, and ongoing demonstrated performance of Slalom's strategic advisory services and implementation support, staff recommends three contract actions to this Committee for approval.

The project schedule and proposed budget for contract actions remain on track and consistent with information presented in March.

The proposed ERP Capital Budget for Fiscal Year 2024-25 has been updated from reflecting the cost of term-limited staff to back-fill day-to-day operations performed by existing MTC staff working on ERP implementation, to reflect the cost of MTC staff working to prepare and implement the ERP Program, as well as to augment skills needed to support the program. This change will allow capitalization of the full cost of the program and allocation of the cost of the program to relevant entities appropriately. The proposed staffing level for the program is consistent with the proposed program implementation timeline and the level of effort recommended by Slalom Inc. for a successful implementation and is also consistent with the term-limited positions requested in the draft budget presented to the Commission in May.

PROPOSED ERP CAPITAL BUDGET
FY 2024-25 & FY 2025-26
 (in thousands)

Description	CURRENT FY 2023-24	Preliminary Draft Budget March 2024	Draft Budget June 2024	\$ Change
Capital Costs				
Strategy and Change Management Consulting	\$2,000	\$5,132	\$5,132	\$0
ERP Software and System Integrator	--	\$8,866	\$9,002	\$136
MTC Staff	\$183	\$3,376	\$9,520	\$6,144
Total Capital Costs	\$2,183	\$17,374	\$23,654	\$6,280

Contract Actions:

Staff requests approval for three contract actions.

- i. Purchase Order - Oracle Cloud Subscription Services: Mythics, LLC/ Mythics VIII, LLC (\$2,610,000)**

In August 2023, MTC issued a Solicitation of Proposals (SOP) for ERP software to SAP, Workday, and Oracle – Gartner's top recommended ERP software providers. Along with support from Slalom, ERP project staff enlisted MTC Section Director support to select over fifty Functional Leads (FLs) and Subject Matter Experts (SMEs) across the agency, to advise the eleven-member evaluation panel on the functionality of the software.

After round one demonstrations, the panel shortlisted Workday and Oracle to participate in a second round of software demonstrations in response to use cases provided by the FLs & SMEs. Following these demonstrations, the FLs and SMEs provided their input to the panel, who evaluated the two software vendors based on: 1) Functional Requirements (35%); 2) User Experience and Usability (30%); 3) Technical Requirements (30%); and 4) Competitive and Reasonable Cost Proposal (5%). Based on the evaluation results, the panel recommends Oracle Cloud Subscription Services to meet MTC's needs in functionality and usability. The Oracle

software subscription will be provided by Oracle's value-added reseller, Mythics , which has an active Omnia Partners Group Purchasing Organization (GPO), a collaborative intergovernmental procurement vehicle, which fulfills MTC's competitive procurement requirements. Oracle's quote for a total of ten years is \$2,610,000.

Issues:

None identified.

ii. Contract – Oracle System Integrator Services – Mythics, LLC/Mythics VIII, LLC (\$8,500,000)

During the software procurement, described in item i. above, each firm provided a minimum of three recommendations for system integrators available on a GPO. In early March 2024, MTC issued an SOP to procure Oracle ERP System Integration services to Oracle's four recommended firms: Denovo Ventures, LLC, Cognizant Corporation, AST Corporation, and MythicsTwo firms, AST and Mythics, submitted proposals. A three-member evaluation panel, supported by 19 technical advisors, reviewed the proposals against the following evaluation criteria: 1) Project Understanding, Approach to Completing the Project, and Work Plan (35%); 2) Qualifications and Experience (35%); 3) Cost Effectiveness (15%); 4) References (10%); and 5) Written/Oral Communications (5%). The evaluation also included MTC's Small Business Enterprise (SBE) program, to which neither proposer submitted a proposal that included SBE participation.

The panel held interviews with both proposers and then invited Mythics for a second interview. Mythics then provided a Best and Final Offer (BAFO). Based upon review of this BAFO, the evaluation panel recommends Mythics for ERP system integration services for Oracle Cloud Subscription Services. Mythics was procured through a GPO, a collaborative intergovernmental procurement vehicle which satisfies MTC's competitive procurement requirements. Mythics is neither a Small Business Enterprise (SBE) nor a Disadvantaged Business Enterprise (DBE) and has no subcontractors.

Issues:

None identified.

iii. Purchase Order Amendment - Enterprise Resource Planning (ERP) Strategic Advisory Services and Integration Support: Slalom, Inc. (\$2,500,000)

On October 11, 2023 MTC engaged Slalom, Inc. in consulting services for ERP strategic advisory and implementation support for FY23/24. Staff requests an amendment to the purchase order to add FY24/25 for continued support during the system integration period including strategic advice, project and change management, communications, and technical expertise in data strategy and enterprise architecture.

Slalom, Inc.'s services were procured using the California Multiple Award Schedule (CMAS), which satisfies MTC's competitive procurement requirements.

Issues:

None identified.

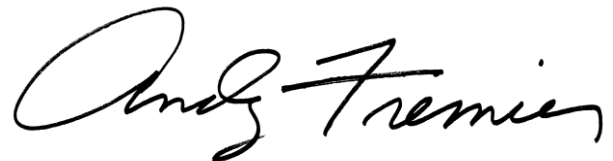
Recommendation:

Staff recommends that the Administration Committee authorize the following contract actions:

- i. A Purchase Order, to provide Oracle Cloud Services software for a 10 year term, with annual costs of \$251,000/fiscal year from FY 24/25 to FY 28/29, and annual costs of \$271,000 from FY 29/30 to FY 33/34, for a total cost not to exceed \$2,610,000.
- ii. \$8,500,000 for a Purchase Order to provide Oracle system integration services through the term of June 30, 2026.
- iii. \$2,500,000 for a Purchase Order Amendment to provide Strategic Advisory Services and Integration Support, through the term of June 30, 2025.

Attachments:

- Attachment A – Request for Committee Approval - Summary of Proposed Purchase Order
- Attachment B – Request for Committee Approval - Summary of Proposed Purchase Order
- Attachment C – Request for Committee Approval - Summary of Proposed Purchase Order Amendment
- ERP Program Update Presentation



Andrew B. Fremier

Request for Committee Approval

Summary of Proposed Purchase Order

Work Item No.: 1163

Consultant: Mythics, LLC/Mythics VIII, LLC
Virginia Beach, Virginia

Work Project Title: Purchase Order - Oracle Cloud Subscription Services

Purpose of Project: Provide Oracle Enterprise Resource Planning (ERP) software

Brief Scope of Work: Provide Oracle Cloud Subscription Services software to integrate business functions into one complete system and streamline processes and information across the entire organization.

Project Cost Not to Exceed: \$2,610,000

Funding Source: ERP Capital Budget for FY 24-25 and FY 25-26. Funding source as approved in MTC's annual budget for FY 26-27 to FY 33-34

Fiscal Impact: \$502,000 is subject to approval of the MTC FY 24-25 ERP Capital Budget. In subsequent fiscal years, funds are subject to agency budgetary approval and subscription services will be paid by issuing an annual purchase order:

- iv. FY 25-26 to FY 28-29: \$251,000/fiscal year,
- v. FY 29-30 to FY 33-34 is \$271,000/fiscal year,

for a total cost not to exceed \$2,610,000.

Motion by Committee: That the Executive Director or designee is authorized to negotiate terms with and issue annual purchase orders to Mythics, LLC /Mythics VIII, LLC for Oracle Cloud Subscription Services described above and in the Administration Committee Summary Sheet dated June 12, 2024 and that the Chief Financial Officer is authorized to set aside \$251,000 for the FY 24-25 purchase order subject to budget approvals specified above..

Administration Committee:

Gina Papan, Chair

Approved: June 12, 2024

Request for Committee Approval

Summary of Proposed Purchase Order

Work Item No.: 1163

Consultant: Mythics, LLC/ Mythics VIII, LLC
Virginia Beach, Virginia

Work Project Title: Oracle System Integration Services

Purpose of Project: Provide integration services for Oracle Cloud Subscription Services.

Brief Scope of Work: Provide integration and professional services to discover, design, develop, and enhance current business processes using Oracle Cloud Subscription Services.

Project Cost Not to Exceed: \$8,500,000

Funding Source: ERP Capital Budget

Fiscal Impact: \$8,500,000 is subject to approval of the MTC FY 24-25 and FY25-26 ERP Capital Budget.

Motion by Committee: That the Executive Director or designee is authorized to negotiate terms with and issue a purchase order to Mythics, LLC/Mythics VIII, LLC for Oracle Cloud Integration Services described above and in the Administration Committee Summary Sheet dated June 12, 2024 and that the Chief Financial Officer is authorized to set aside \$8,500,000 for such purchase order, subject to budget approvals specified above.

Administration Committee:

Gina Papan, Chair

Approved: June 12, 2024

Request for Committee Approval

Summary of Proposed Purchase Order Amendment

Work Item No.: 1163

Consultant: Slalom, Inc.
Seattle, WA

Work Project Title: Enterprise Resource Planning (ERP) Strategic Advisory
Services and Integration Support

Purpose of Project: ERP professional consulting services

Brief Scope of Work: Provide strategic advice, project and change management,
communications, data strategy, and enterprise architecture
support.

Project Cost Not to Exceed: \$2,500,000

Funding Source: ERP Capital Budget

Fiscal Impact: \$2,500,000 is subject to approval of the FY 24-25 ERP Capital
Budget

Motion by Committee: That the Executive Director or designee is authorized to
negotiate and enter into a purchase order amendment with
Slalom, Inc. for the ERP consultant services described above
and in the Administration Committee Summary Sheet dated
June 12, 2024 and that the Chief Financial Officer is authorized
to set aside \$2,500,000 for such purchase order amendment,
subject to approval of the FY 24-25 ERP Capital Budget.

Administration Committee:

Gina Papan, Chair

Approved: June 12, 2024