

Metropolitan Transportation Commission

June 26, 2024

Agenda Item 7a - 24-0641

Update to Commission

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. **Contract – 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)**

Subject:

The Administration Committee met on June 12, 2024 and staff provided an update on the Enterprise Resource Planning (ERP) Program. The Committee did not take action and referred the request for approval of the following contract actions to the Commission for further discussion and approval:

- i. Purchase Order - Oracle Cloud Subscription Services: Mythics, LLC/ Mythics VIII, LLC (\$2,600,000);
- ii. Contract - 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 June 2024 Administration Committee, committee members raised several questions to be addressed at the June 2024 Commission meeting. The Administration Committee summary sheet, attached as Attachment D, provides an ERP Program status update and a summary of the three requested approval items.

At the June 2024 Commission meeting, staff will provide an overview of the ERP Program and address questions and topics raised at the June 2024 Administration Committee meeting.

Planning for this significant change began over two years ago, with the design of a strategic process intended to ensure a successful implementation and mitigate common ERP project risks well before staff considered specific ERP systems and issued any procurements. In partnership with ERP advisor Slalom, we have established strategic program infrastructure that is often missing from ERP implementations; lack of this framework contributes to risks and issues, often arising late in the project lifecycle, and ultimately, resulting in project failure. The ERP Program Strategy work to-date includes:

- Established ERP Program vision, mission, and objectives;
- Identified impacted stakeholders, leaders, and subject matter experts from across all of MTC's functions for alignment with MTC business needs, and formalized a Change Management Plan, including engagement forums and communication processes;
- Designed internal governance structure, decision-making roles and responsibilities, and critical escalation paths;
- Implemented a Risks, Assumptions, Issues, and Dependencies (RAID) log for tracking and mitigation of risks;
- Performed an Organizational Readiness Assessment resulting in the identified need for data strategy and data governance, business process mapping to document the current state, a reporting inventory, and required data cleansing;
- Conducted business process mapping workshops and developed a complete taxonomy analysis including priority processes;
- Identified resource challenges and gaps, and provided recommendations for optimal project resourcing; and
- Established and implemented project health/status reports provided to and discussed routinely with executive sponsors.

Staff's recommendation of 1) Oracle as the ERP platform and 2) Mythics* as the system integrator to implement the software, reflects a thorough and highly collaborative process, with engagement of leadership, decision makers, subject matter experts, and impacted staff across MTC.

**Note: While Mythics is listed as the vendor for Oracle Cloud Subscription Services (item i), in this capacity they are simply serving as the software license reseller, a common practice for technology*

licensing. If their system integration services under the contract (item ii) were found lacking, MTC would be able to enlist a different system integrator but still continue to implement/maintain our ERP system in the Oracle platform. Licensing for the platform is not dependent upon a single vendor, which has been noted as a concern of other MTC large technology deployments.

Recommendation:

Staff recommends that the Commission authorize the following contract actions:

- i. A Purchase Order, to provide Oracle Cloud Services software for a 10-year term, with annual costs of \$250,000/fiscal year from FY 24/25 to FY 28/29, and annual costs of \$270,000 from FY 29/30 to FY 33/34, for a total cost not to exceed \$2,600,000.
- ii. \$8,500,000 for a Contract 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 Commission Approval - Summary of Proposed Purchase Order with Mythics, LLC for Oracle Cloud Subscription Services
- Attachment B – Request for Commission Approval - Summary of Proposed Contract with Mythics, LLC for Oracle System Integration Services
- Attachment C – Request for Commission Approval - Summary of Proposed Purchase Order Amendment with Slalom, Inc. for Strategic Advisory Services and Integration Support
- Attachment D: June 12, 2024 Administration Committee Summary Sheet
- Attachment E: Updated ERP Program Update Presentation to Commission



Alix A. Bockelman

Request for Commission 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: \$2,600,000

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: \$250,000 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:

- i. FY 25-26 to FY 28-29: \$250,000/fiscal year,
- ii. FY 29-30 to FY 33-34 is \$270,000/fiscal year,

for a total cost not to exceed \$2,600,000.

Motion by Commission: 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 the Metropolitan Transportation Commission Summary Sheet dated June 26, 2024 and that the Chief Financial Officer is authorized to set aside \$250,000 for the FY 24-25 purchase order subject to budget approvals specified above.

Metropolitan Transportation
Commission:

Alfredo Pedroza, Chair

Approved: June 26, 2024

Request for Commission Approval

Summary of Proposed Contract

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 Commission: That the Executive Director or designee is authorized to negotiate terms with and enter into a contract with Mythics, LLC/Mythics VIII, LLC for Oracle Cloud Integration Services described above and in the Administration Committee Summary Sheet dated June 12, 2024 and the Metropolitan Transportation Commission Summary Sheet dated June 26, 2024 and that the Chief Financial Officer is authorized to set aside \$8,500,000 for such contract, subject to budget approvals specified above.

Metropolitan Transportation
Commission

Alfredo Pedroza, Chair

Approved: June 26, 2024

Request for Commission 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 Commission:	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 the Metropolitan Transportation Commission Summary Sheet dated June 26, 2024 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.
Metropolitan Transportation Commission:	<hr/> Alfredo Pedroza, Chair
Approved:	June 26, 2024