

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

**MEETING DATE:** 1/8/2025

**Staff Report No.** 20-488a

**TO:** AC Transit Board of Directors  
**FROM:** Michael A. Hursh, General Manager/Chief Executive Officer  
**SUBJECT:** Contract Extension for PeopleSoft Hosting and Support Services

### ACTION ITEM

**AGENDA PLANNING REQUEST:**

**RECOMMENDED ACTION(S):**

Consider approving the first of two one-year extension options on contract 2021-1499 with Sierra-Cedar, Inc. for PeopleSoft hosting and support services.

Staff Contact:  
Ahsan Baig, Chief Information Officer

**STRATEGIC IMPORTANCE:**

Goal - High-Performing Workforce  
Initiative - Financial Efficiency and Revenue Maximization

This contract of Infrastructure as a Service (IaaS) solution and services will optimize spending, security, and resiliency of the PeopleSoft platform which connects with many mission-critical operational software systems in the District and provides vital data elements. This is one of the core technology platforms and needs to be up and running twenty-four hours a day, seven days a week.

**BUDGETARY/FISCAL IMPACT:**

The one (1) year contract extension will cost the District \$498,000, which will include:

- 1) \$29,500 per month for Hosting Services;
- 2) \$2,000 per month for High Priority Managed Services (variable); and
- 3) \$10,000 per month for as-needed Professional Services

Funding for PeopleSoft hosting services and professional services is included in the FY 24-25 Department of Innovation and Technology budget.

**BACKGROUND/RATIONALE:**

The District initiated the Finance-Human Resources (FHR) project in 2007 to upgrade its PeopleSoft Human Capital Management (HCM) application and implement PeopleSoft Financials (FIN) and Portal, forming the system's three pillars. Hosting was outsourced to NaviSite for cost-effectiveness and 24/7 support, but that contract expired in 2013. In 2013, the District issued a Request For Proposals (RFP) for new hosting services,

receiving four proposals. Sierra-Cedar, with extensive PeopleSoft experience, was selected and awarded a five-year contract with two one-year extension options. In 2019, the District issued an RFP again for new hosting services, receiving four proposals. Sierra-Cedar was again selected and awarded a five-year contract with two one-year extension options. The contract is set to expire in February 2025.

The District will be evaluating a Request for Information (RFI) in 2025 to identify a new hosting provider, requiring an additional year for procurement and transition. Exercising the first extension year ensures sufficient time for planning and transitioning to the best hosting solution. PeopleSoft's hosting and support services are considered critical infrastructure for the District.

**ADVANTAGES/DISADVANTAGES:**

**Advantages:** By exercising this contract option, the District will continue to have its PeopleSoft applications with experienced round-the-clock monitoring and support.

**Disadvantages:** District staff cannot identify any disadvantages associated with exercising this additional contract option year.

**ALTERNATIVES ANALYSIS:**

- 1. Migrate the applications in-house:** The District could elect to migrate Peoplesoft Applications to servers located at the General Office Data Center before the current Contract expires. Migrating the PeopleSoft Application in-house would require substantial time and investment in hardware and software. It would subject the application to significantly increased risk because of insufficient staff for 24-hour monitoring and support.
- 2. Migrate the applications to our Business Continuity/Disaster Recovery (BC/DR) Site:** The District could elect to migrate Peoplesoft Applications to servers located at its BC/DR site before the Contract expires. This migration would require substantial time and investment in hardware and software. It would subject the application to significantly increased risk because the District lacks sufficient staff for twenty-four (24) hour monitoring and support.
- 3. Do Nothing:** The District could opt to allow the current Peoplesoft Hosting contract with Sierra-Cedar to expire. To do nothing would lead to uncertainty over the PeopleSoft applications' availability after February 28, 2025, and potential loss of access to them.

**PRIOR RELEVANT BOARD ACTION/POLICIES:**

Staff Report 20-488: Contract Award for PeopleSoft Hosting and Professional Services  
Board Policy No. 465 - Procurement Policy

**ATTACHMENTS:**

None

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**In Collaboration with:**

Michael Daly, Contracts Specialist

**Approved/Reviewed by:**

Ahsan Baig, Chief Information Officer

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