

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

**MEETING DATE:** 6/10/2026

**Staff Report No.** 26-236

**TO:** AC Transit Board of Directors  
**FROM:** Salvador Llamas, General Manager/Chief Executive Officer  
**SUBJECT:** COSOL Hosting Contract Extension

### ACTION ITEM

**AGENDA PLANNING REQUEST:**

**RECOMMENDED ACTION(S):**

Consider authorizing the General Manager to execute a two (2) year, single source amendment with COSOL to continue the current hosting, managed, and professional services of the District's Ellipse Enterprise Asset Management system being provided under Contract No. 2022-1525. This amendment would extend services for the period of January 1, 2027, through December 31, 2028.

Staff Contact:  
Ahsan Baig, Chief Information Officer

**STRATEGIC IMPORTANCE:**

Goal - Financial Stability and Resiliency  
Initiative - Infrastructure Modernization

Ellipse is an Enterprise Asset Management (EAM) software platform and currently used by various business units for inventory tracking, managing work orders and maintaining the Transit Assets condition ratings. The Ellipse platform connects with many mission-critical operational software systems in the District and provides vital data elements. This is one of the District's core technology platforms and needs to be up and running all the time for 24 x 7 bus operations. The Contract Renewal will provide the continuity of these services and avoid business disruption.

**BUDGETARY/FISCAL IMPACT:**

The total estimated hosting costs for the two (2) year term is \$726,600 which includes:

- \$20,803 per month for Hosting Services
- \$114,000 per year maximum for additional technology licenses, product connector, extra database space, storage, security services, custom reports, and as-needed professional services

The annual hosting and support cost, including all the services listed above, will be around \$363,800 per year. Funding for Ellipse hosting and professional services is included in the FY 26-27 Department of Innovation and Technology operating budget.

**BACKGROUND/RATIONALE:**

The District's Enterprise Asset Management System, Ellipse, is a private cloud-based system licensed through ABB/Hitachi and currently hosted and supported by COSOL under Contract No. 2022-1525.

Since the execution of the current contract, COSOL has established a strong track record in providing Ellipse™ hosting, application support, and professional services. The system supports critical business functions including asset management, maintenance operations, inventory control, and integration with other enterprise systems. These services are essential to maintaining the District's transit operations.

Following organizational and vendor transitions in the Ellipse service ecosystem, COSOL is the current provider of hosting and managed services and is uniquely positioned to continue supporting the District's environment.

Ellipse remains a highly specialized platform with limited vendor availability for hosting and managed services. Due to system complexity, vendor-specific expertise, and integration dependencies, COSOL continues to be the only vendor capable of providing these services without disruption.

Transitioning to another vendor or hosting environment would require significant time and investment, introduce operational risks, and potentially impact system availability. Additionally, competitive solicitation is unlikely to yield a materially different outcome given the limited number of qualified providers.

This extension will align with Board Policy 465 IV, C,5, c "Authorized maintenance or upgrade agreements of proprietary software previously implemented at the District for "critical infrastructure" do not require competitive bidding. The list of this software is posted on our website as required by Senate Bill 272 (Gov. Code §§ 7922.700-7922.725).

Staff is bringing this request for an amendment early - the current contract period ends December 31, 2026 - to allow for a full procurement if the request is denied.

Extending the current contract with Cosol ensures continuity of service, maintains system stability, and allows the District sufficient time to conduct market research and competitive bid process for evaluating long-term enterprise system strategies.

For these reasons, staff recommend a single-source contract amendment with Cosol for an additional two-year term.

**ADVANTAGES/DISADVANTAGES:**

This contract amendment will preserve continuity with the District's existing hosting services provider, ensuring round-the-clock monitoring and support from an experienced firm. It will provide reliable system availability, critical data protection, and continued access to managed and professional services. The amendment will also allow District staff issue, award, negotiate and potentially transition to a new provider within the two-year extension while still optimizing Ellipse utilization, advancing system integrations, automating business processes, and strengthening data governance practices.

Staff cannot identify any significant disadvantages associated with executing this contract amendment as outlined.

**ALTERNATIVES ANALYSIS:**

1) Migrate the application in-house or to a District-managed environment: The District could elect to migrate Ellipse to internally managed infrastructure. However, this would require substantial investment in hardware, staffing, and 24/7 operational support capabilities. This option would bring significant risks due to the complexity of the system and limited internal capacity.

2) Conduct a competitive procurement (RFP): The District could issue a new solicitation for hosting and managed services. However, due to the limited number of vendors with expertise in Ellipse, this process would likely yield the same outcome while introducing delays and potential service risk.

3) Do Nothing: Allowing the current contract to expire would jeopardize system availability and continuity of operations, potentially impacting critical maintenance and asset management functions.

**PRIOR RELEVANT BOARD ACTION/POLICIES:**

Board Policy 465, Procurement Policy  
Staff Report 14-306  
Staff Report 14-306a  
Staff Report 14-306b  
Staff Report 21-306

**ATTACHMENTS:**

None

**Prepared by:**

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**Approved/Reviewed by:**

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