

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

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**MEETING DATE:** 12/11/2019

**Staff Report No.** 13-138b

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**TO:** AC Transit Board of Directors  
**FROM:** Michael A. Hursh, General Manager  
**SUBJECT:** Contract Option for PeopleSoft Hosting Services

### ACTION ITEM

#### **RECOMMENDED ACTION(S):**

Consider approving the second of two one-year extension options on contract 2013-1234 with Sierra-Cedar, Inc. for PeopleSoft hosting services.

#### **STRATEGIC IMPORTANCE:**

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

PeopleSoft is an Enterprise Resource Planning (ERP) Platform, a business-essential software used in the District for human resources, purchasing, contracts, finances, payroll and operations. The PeopleSoft platform 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 all the times for 24 x 7 bus operations.

#### **BUDGETARY/FISCAL IMPACT:**

The one (1) year contract extension will cost the District \$450,000. This amount will supplement budgeted funds already allocated for Sierra-Cedar PeopleSoft hosting services for the balance of the 2020 fiscal year. Additional funds will be added to the FY2021 budget to cover expenses to February 2021.

#### **BACKGROUND/RATIONALE:**

The District began the Finance-Human Resources (FHR) project in 2007 to upgrade its existing PeopleSoft Human Capital Management (HCM) application and to implement both PeopleSoft Financials (FIN) and Portal, forming the three (3) 'pillars' of its system. Staff determined it would be safer and more cost-effective to have the application installed, monitored, and supported offsite at a "hosting provider" with more robust facilities and with technical staff available 24x7. Initially, PeopleSoft was hosted with NaviSite; that contract expired in late 2013.

The District issued a Request for Proposals in February 2013 for PeopleSoft hosting services and received four (4) proposals in late March 2013. The technical and price proposals included itemized details of included and optional services along with costs for migrating from the District's current provider. The technical proposals

were reviewed by a team of AC Transit staff to evaluate the experience, qualifications, ability to perform, and hosting provisions from each proposal. Sierra-Cedar, previously known as Cedar-Crestone, received the highest technical score from the evaluation team based upon their extensive experience supporting PeopleSoft applications and their detailed technical proposal. Because of this solicitation, District staff recommended, and the Board approved awarding a five (5) year contract to Sierra-Cedar with two (2) one (1) year extension options. The five (5) year contract was set to expire February 2019. On October 10, 2018, the Board approved the first of the one (1) year options to extend the contract; the contract will expire in February 2020.

Solicitation of a new hosting provider has been initiated, a Request for Information has already been submitted, and is currently being evaluated. The District will require another year to plan and execute the procurement and transition. Executing the second of the two (2) option years will enable the District to determine the best hosting solution and allow for the necessary transition time to a new hosting provider.

#### **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. Outside hosting provides for greater business continuity and protection of critical data than could be done in-house. District support staff will have additional time to focus on application migration while continuing to support new systems implementations such as CAD/AVL, Hastus Daily, and Prophix.

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 the PeopleSoft applications to servers located at the General Office before the Sierra-Cedar contract expires. This would require a substantial investment in hardware and software. It would subject the application to greatly increased risk because the District lacks sufficient staff for twenty-four (24) hour monitoring and support, and because the District's service area poses a seismically greater risk.
- 2) Migrate the applications to the District's Business Continuity / Disaster Recovery (BC/DR) Site. The District could elect to migrate the PeopleSoft applications to servers located at the BC/DR site before the Sierra-Cedar contract expires. This would require a substantial investment in hardware and software. It would subject the applications to 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 existing PeopleSoft Hosting contract with Sierra-Cedar to expire. This would lead to uncertainty over the availability of the District's PeopleSoft applications after February 2020 and the potential loss of the District's access to the data.

#### **PRIOR RELEVANT BOARD ACTION/POLICIES:**

Staff Report 13-138, Contract Award for PeopleSoft Hosting Services  
Staff Report 13-138a, Contract Option for PeopleSoft Hosting Services

**ATTACHMENTS:**

None.

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