

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 2/10/2021

Staff Report No. 21-107

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager
SUBJECT: Single Source Contract with Prophix Software, Inc.

ACTION ITEM

RECOMMENDED ACTION(S):

Consider authorizing the General Manager to execute a single source contract with Prophix Software, Inc., to provide continued services and technical support for the District's budget system for a term of three (3) years (March 1, 2021 to February 29, 2024).

STRATEGIC IMPORTANCE:

Goal - Financial Stability and Resiliency

Initiative - Financial Efficiency and Revenue Maximization

Maintain Financial Stability and Resiliency for over 100 District employees by continuing the facilitation of budget development, budget reporting, and budget analysis using Prophix.

BUDGETARY/FISCAL IMPACT:

Prophix Software, Inc. provides the District with secure technology for compiling operating budget, comprehensive and custom reporting capabilities, and PeopleSoft Integration for a competitive and discounted price of \$160,525 per year, or \$481,575 over the next three years.

BACKGROUND/RATIONALE:

In 2018, the District selected Prophix Software, Inc. to provide a versatile solution for compiling and reporting budget data through a competitive bid process. Since the initial three-year contract award and implementation began, staff has kept abreast of other budgeting software solutions. However, Prophix continues to fulfill the critical business needs and is best suited to:

- Enable ready access to historical, current and projected financials;
- Handle a high level of complexity in planning personnel and capital project budgets;
- Be intuitive and easily accessible to users with diverse technical backgrounds; and
- Built-in integration with PeopleSoft.

Staff recommends continued use of Prophix and intends to publish Notice of Intent for imminent award, pending Board approval, and as per Board Policy 465, which specifies 5 business days pursuant to award of

single-source contract.

Section B.2.ii of Board Policy 465 is referenced below and requires justification for the single source, which is provided in this staff report.

there exists a public exigency or emergency as defined by Public Contracts Code Section 20213 (not including delays in planning or in initiating the procurement) which will not permit the delay accompanying competitive solicitation.

Staff believes a single-source contract with Prophix to be the most prudent action in terms of timeframe and cost-benefit analysis. Staff rely on Prophix in its custom setup to plan, forecast, and manage to the District's budget. At this point in the life cycle of the District's use of Prophix, to re-implement a new budgeting system would not only be overly burdensome in terms of staff resources and available budget, but also defeat the purpose of cost-conscious budgeting. Bringing on a new vendor would require of staff to dedicate time and resources that are currently needed to address the unprecedented current financial situation.

Prophix is currently configured to meet staff needs, and to bring a different vendor up to the same level of functionality would set staff back 1-2 years in terms of labor hours and budget. The cloud-based, SaaS (software as a service) configuration makes Prophix especially adept for coordinating with departments to develop line-item-detail budgets and creating custom reports (not "out of the box") during this time of increased reliance on tele-working. The current system is also designed to relieve the need for regular technical support from the IT department, which would not be the case during the integration stage of implementing a new SaaS budgeting system. Although not unique among its competitors, time is of the essence and Prophix is the only known source which can meet the District's specific needs within the required timeframe and budget.

The current Prophix configuration took over a year to set up and cost nearly \$350,000 to implement the design, integration, and training. Any integrated budget planning and analysis solution would require similar effort and cost to reach a similar level of utility and maturity. Current staff shortages in the budget department also constrain the ability to establish new software and re-create reports set up in Prophix. Re-training in particular would be an issue, as over 100 District staff depend on the budget information and functionality provided by Prophix.

While staff regularly evaluate similar market competitors, Prophix remains the staff's first choice. Staff has also watched the outcomes of competitive bid processes among peer agencies. To reinforce the current recommendation to keep using Prophix, staff noted that Sound Transit, a large transit operator in Seattle, Washington, recently undertook a competitive bid process and selected Prophix.

ADVANTAGES/DISADVANTAGES:

The primary advantage associated with this single-source procurement of budget software for over 100 District users is the cost avoidance of implementing from scratch a new software system to integrate with Peoplesoft and the re-training required for financial reporting and budget development.

Staff cannot identify any disadvantages.

ALTERNATIVES ANALYSIS:

The alternative would be to issue a Request for Proposals (RFP) for a new budgeting system software. However, this is not recommended for the reasons stated above.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Board Policy 465, Procurement Policy

ATTACHMENTS:

None

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