



**October 23, 2019**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Agreement for Budget and Forecasting Software

### **Overview**

The Orange County Transportation Authority requires a consultant to provide budget and forecasting software. A competitive procurement has been conducted and offers were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services. Board of Directors' approval is requested to execute an agreement for budget and forecasting software.

### **Recommendations**

- A. Approve the selection of Clarity Partners, LLC, as the firm to provide budget and forecasting software.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-9-1083 between the Orange County Transportation Authority and Clarity Partners, LLC, in the amount of \$536,067, for a term of three years with two, two-year option terms to provide budget and forecasting software.

### **Discussion**

The Orange County Transportation Authority's (OCTA) Financial Planning and Analysis (FP&A) Department provides financial forecasting, planning and analysis support, contract oversight, requisition budget authority verification, and budget transfers. The main three deliverables of the FP&A Department include the development of the annual budget, quarterly budget-to-actuals reporting (BAR), and the Comprehensive Business Plan (CBP).

Over the past 20 years, the development of the budget has been managed in an in-house software application using Microsoft Access as a front-end and Structured Query Language (SQL) server as a back-end. The home-grown

software is referred to as BUDBAR. The analysis for quarterly BAR reporting is also performed in BUDBAR, and the program-level analysis and reporting are performed in Microsoft Excel and Word. The CBP analysis and cash flows are built in a series of linked Excel models, while document publication is done in InDesign.

The FP&A Department issued a request for information (RFI) in June 2018. The purpose of the RFI was to explore the potential to acquire and implement a cloud-based budgeting and planning software available as a service to transition all processes and data out of BUDBAR, as well as to move entirely from on-premise to a cloud-based technology in order to provide optimal flexibility and ensure OCTA's data is secured with minimal interruptions to the end users. Based on the results, OCTA moved forward issuing a request for proposals.

In doing so, OCTA's FP&A Department has identified a solution that can accommodate the development and production of the FP&A Department's three main deliverables. This will result in a cost savings to OCTA and would eliminate the dependency on a consultant with both Microsoft Access and SQL programming experience to maintain the current home-grown system.

### ***Procurement Approach***

This procurement was handled in accordance with OCTA's Board of Directors-approved procedures for professional and technical services. In addition to cost, many other factors are considered in an award for professional and technical services. Award is recommended to the firm offering the most comprehensive overall proposal considering such factors as prior experience performing similar projects, staffing and project organization, work plan, as well as cost and price.

On April 25, 2019, Request for Proposals (RFP) 9-1083 was issued and sent electronically on CAMM NET. The project was advertised in a newspaper of general circulation on April 25 and May 2, 2019. Four addenda were issued to revise the scope of work, handle administrative matters, and provide responses to questions related to the RFP.

On June 12, 2019, 11 proposals were received. An evaluation committee comprised of OCTA staff from the Contracts Administration and Materials Management, FP&A, Accounting and Financial Reporting, and Information Systems departments, as well as an external consultant for the FP&A Department, met to review all proposals received. The proposals were evaluated based on the following evaluation criteria and weights:

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- |                                     |            |
|-------------------------------------|------------|
| • Qualifications of the Firm        | 25 percent |
| • Staffing and Project Organization | 15 percent |
| • Work Plan                         | 35 percent |
| • Cost and Price                    | 25 percent |

Several factors were considered in establishing criteria weights. Work plan was weighted the highest at 35 percent to ensure the firm's approach and software would meet OCTA's budgeting and forecasting requirements. Qualifications of the firm and cost were weighted at 25 percent each to ensure the firm has prior experience providing the software outlined in the scope of work and OCTA receives value for the services provided. Staffing and project organization was weighted at 15 percent to ensure the firm's staff have the requisite experience and expertise for completing the project.

On June 25, 2019, the evaluation committee reviewed the 11 proposals based on the evaluation criteria and short-listed the four most qualified firms listed below in alphabetical order:

Firm and Location

Applications Software Technology, LLC  
Santa Clara, California

Clarity Partners, LLC (Clarity)  
Chicago, Illinois

Gibney Consulting, LLC  
Costa Mesa, California

InnoFin Solutions, LLC  
Denver, Colorado

On July 21, 2019, the evaluation committee conducted interviews with the four short-listed firms. The interviews consisted of a presentation to demonstrate the firms' understanding of OCTA's requirements, as well as a software demonstration of the proposed solution. The firms' key team members had an opportunity to present their qualifications and respond to the evaluation committee's questions. Questions were asked relative to the firms' approach for implementing and maintaining the software. In addition, each team was asked specific clarification questions related to their proposal.

After considering the responses to the questions asked during the interviews, the evaluation committee reviewed the preliminary ranking and made

adjustments to individual scores. Following the interviews, the ranking of the firms changed.

Based on evaluation of the written proposals and the information obtained from the interviews, the evaluation committee recommends Clarity for consideration of the award. The following is a brief summary of the proposal evaluation results.

#### **Qualifications of the Firm**

The four short-listed firms demonstrated relevant experience and qualifications related to providing budget and forecasting software.

Founded in 2004, Clarity is headquartered in Chicago and has a workforce of 150 employees. The firm has prior experience in implementing a budget and forecasting software for the public sector, including the Cook County Government, City of Chicago, Forest Preserves of Cook County, and University of Chicago. Clarity's references reported that they were satisfied with Clarity's performance, and the proposal highlights the firm's proven ability and capacity to implement and maintain a budget and forecasting software. The demonstration of the software by Clarity during the interview addressed OCTA's requirements, and the firm provided responses to the evaluation committee's questions related to the firm's prior experience with similar projects.

The remaining three short-listed firms have demonstrated prior experience in the budget and forecasting software industry. The firms have previously performed work of a similar nature for public and private entities, including the Ohio Department of Transportation, Chicago Transit Authority, and First American Financial Corporation. During the interview, the firms demonstrated the software and provided responses to the evaluation committee's questions related to the firms' prior experience with similar projects.

#### **Staffing and Project Organization**

All four short-listed firms proposed experienced key personnel with relevant expertise performing similar work.

Clarity proposed a project manager with over 15 years of experience and a technical lead with over 20 years of experience in implementing and maintaining budget and forecasting software. Additionally, the firm's project executive has designed and delivered more than 70 similar projects. During the interview, the firm's team provided responses to the evaluation committee's

questions and demonstrated a comprehensive understanding of OCTA's requirements.

The other three short-listed firms proposed qualified staff and experienced project teams. The firms demonstrated they have staffing available with relevant capabilities and skill sets required to accomplish the project. During the interview, the teams provided responses to the evaluation committee's questions on their approach for implementing and maintaining the software.

#### Work Plan

The work plans proposed by the four short-listed firms provided an approach to implementing and maintaining budget and forecasting software.

Clarity provided a detailed approach for completing the project and demonstrated an understanding of the requirements addressed in the scope of work. The firm addressed the need to transition and centralize all processes and data from the budgeting, variance analysis, CBP, and oversight activities to the new software. Additionally, Clarity proposed to meet the six-month timeline for completing the implementation. During the interview, Clarity provided responses on the firm's approach for implementing and maintaining the software and identified the process for addressing questions or concerns regarding the software's functionality. Furthermore, the firm highlighted the requirement for training to transfer knowledge so that FP&A staff will be able to administer, manage, and maintain the new software. Clarity also emphasized the need to explore improved or more efficient processes during the implementation phase.

The work plan proposed by the remaining three short-listed firms provided a detailed approach for completing the project, including the need to transition and centralize all processes and data from the budgeting, variance analysis, CBP, and oversight activities to the new software. All three firms demonstrated an understanding of the requirements addressed in the scope of work, including the six-month timeline for completing the implementation. During the interview, the firms provided responses on their firm's approach for implementing and maintaining the software and identified the process for addressing questions or concerns regarding the software's functionality.

#### Cost and Price

Pricing scores were based on a formula which assigned the highest score to the lowest total firm-fixed price for the tasks to be completed and scored the other proposals' total firm-fixed prices based on their relation to the lowest total

firm-fixed price. Clarity's proposed price was the lowest among all the proposing firms.

#### **Procurement Summary**

Based on the evaluation of the written proposals, the firms' qualifications, as well as the information obtained from the interviews, the evaluation committee recommends the selection of Clarity Partners, LLC, as the top-ranked firm to provide budget and forecasting software. Clarity delivered a proposal and interview that were responsive to all the requirements of the RFP.

#### **Fiscal Impact**

The cost associated with this project was included in OCTA's Fiscal Year 2019-20 Approved Budget, Finance and Administration Division, Accounts 1250-7519-A0001-CAV and 1250-7669-A0001-4B9.

#### **Summary**

Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-9-1083 between the Orange County Transportation Authority and Clarity Partners, LLC, in the amount of \$536,067, for a term of three years with two, two-year option terms to provide budget and forecasting software.

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***Attachments***

- A. Review of Proposals – RFP 9-1083 Budget and Forecasting Software
- B. Proposal Evaluation Criteria Matrix (Short-Listed Firms) – RFP 9-1083 Budget and Forecasting Software
- C. Contract History for the Past Two Years – RFP 9-1083 Budget and Forecasting Software

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