



**May 11, 2023**

**To:** Transit Committee

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

**Subject:** Amendment to Agreement for Enterprise Asset Management System

**Overview**

On February 22, 2021, the Orange County Transportation Authority Board of Directors approved an agreement with 21Tech LLC for the implementation of a new Enterprise Asset Management system. An amendment to the existing agreement is needed to cover additional implementation costs.

**Recommendation**

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Agreement No. C-0-2272 between the Orange County Transportation Authority and 21Tech LLC, in the amount of \$738,920, to cover additional implementation costs. This will increase the maximum cumulative obligation of the agreement to a total contract value of \$5,965,037.

**Discussion**

On February 22, 2021, the Orange County Transportation Authority (OCTA) Board of Directors (Board) approved an agreement with 21Tech LLC (21Tech) for the implementation of a new Enterprise Asset Management (EAM) system. The agreement includes the implementation of the EAM system, Hexagon, formerly known as Infor. The Hexagon EAM system will replace the current Ellipse EAM system and be integrated with existing ancillary systems. This agreement will also include seven years of hosting services. An amendment to the existing agreement is needed to cover additional implementation costs due to the additional time required to complete system requirements before the new EAM can go live.

The original project schedule allocated five months for the build phase, but unforeseen challenges arose during this phase. The team discovered previously unknown requirements related to account codes and blanket purchase orders

that are essential for the successful integration of OCTA's financial system, OneSolution. As a result, the scope of the project expanded and was deemed mission-critical, requiring an additional seven months to resolve.

The challenges primarily involved the team needing extra time to comprehend the complexity of new business processes for OCTA's financial system, transitioning from Ellipse to OneSolution for procurement, contracting, and blanket purchase orders. Additionally, the team faced difficulties in identifying new business processes for segments and logic for cost codes and general ledger account construction, which was not previously implemented.

OCTA and 21Tech have developed an agreed-upon course of action that would allow for the completion of the implementation of a new EAM system. It was determined that an amendment to establish a new go-live date of September 30, 2023, and an additional \$738,920 would be needed to accommodate and integrate the additional work into the scope.

### ***Procurement Approach***

This procurement was originally handled in accordance with OCTA's Board-approved policies and procedures for professional and technical services. On February 22, 2021, the Board approved the award of the agreement with 21Tech. The original agreement was awarded on a competitive basis and includes a seven-year initial term with two, two-year option terms. This agreement has been previously amended as shown in Attachment A.

The initial term of the agreement expires March 31, 2028. Amending the agreement will increase the maximum cumulative payment obligation by \$738,920, bringing the total contract value to \$5,965,037, which will allow for implementation of a new EAM system. OCTA staff negotiated the required level of effort with 21Tech to provide additional implementation efforts to complete system requirements. Staff found the amount of \$738,920 to be fair and reasonable relative to the negotiated level of effort and the hourly rates in the agreement, as well as to the independent cost estimate prepared by the OCTA project manager.

### **Fiscal Impact**

Funding for this work was approved in OCTA's Fiscal Year 2022-23 Budget, Finance and Administration Division, Information Systems Department, Account No. 1285-9028-IX080-0R5, and is funded through local funds.

**Summary**

Staff requests Board of Directors' approval to authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Agreement No. C-0-2272 between the Orange County Transportation Authority and 21Tech LLC, in the amount of \$738,920, to cover additional implementation costs.

**Attachment**

- A. 21Tech LLC, Agreement No. C-0-2272 Fact Sheet

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