

SUBJECT

Ellipse Software Update

RECOMMENDATION

To authorize the President and CEO to enter into a contract with TPSCO, Inc., to update Ellipse brand enterprise software which supports LBT's daily operations of its financial, administrative and maintenance functions, for a total authorization not to exceed \$496,520.

BACKGROUND

In July 2001, Long Beach Transit (LBT) purchased Ellipse brand enterprise business software to support the daily operations of its accounting, grants, fixed assets, human resources, payroll, purchasing, inventory and maintenance functions.

The system is responsible for a variety of functions including:

- Capturing all actual and budget revenue and expenses
- Storing all employee history, payroll and benefits information
- Capturing all fixed assets procured and disbursed agencywide
- Capturing all procurement processes from requisition initiation to vendor payment
- Monitoring inventory levels from receipt to issuance
- Tracking all vehicle maintenance by work performed and parts used

In 2012, LBT started a project to upgrade Ellipse from version 5 to the latest version 8 to ensure ongoing module support and expanded functionality. During the course of implementation, LBT determined that version 8 was not ready to perform LBT's required functions and had bugs which hindered the software implementation.

In August 2013, Kenneth McDonald assumed the position of President and CEO of LBT. Three months after the CEO's arrival, he learned of the project and was briefed on the status. Upon delving into the project status, the project was stopped and a detailed review ensued. In 2015, LBT retained a third-party consultant to re-evaluate the program to identify the challenges and identify technology solutions that would assist in determining the best approach for LBT.

Upon completion of the evaluation process, the consultant presented LBT with several options of which LBT elected to upgrade to Ellipse 6 instead of Ellipse 8. Ellipse 6 software, which immediately preceded Ellipse 8, has been used by many other agencies nationwide and was found to be stable and proven.

The Ellipse software update will be a multi-phased endeavor. The first phase will be the Ellipse upgrade to version 6 in which a nine-month transition period is anticipated. The other components of this project include: Data Management and Cleansing; Enhanced Reporting; and Enhanced Ellipse features.

TPSCO, a consultancy specializing in software solutions, is an official ABB, Inc., Ellipse business partner and will be implementing the software update from Ellipse 5 to Ellipse 6. TPSCO is versed in LBT work processes supported by the Ellipse brand enterprise software. TPSCO performed LBT's initial implementation of the Ellipse brand enterprise software in 2001, as well as developed a solution for LBT's management of grants.

PROCUREMENT

LBT has used the Ellipse brand software to support its daily operational functions for more than 15 years with TPSCO providing support. Ellipse, which is proprietary software is only offered by ABB, Inc., a global technology company. Due to the proprietary status, this procurement is a sole-source.

Procurement staff has reviewed pricing and determined it to be fair and reasonable.

This is a firm fixed fee project with a total contract amount not to exceed \$496,520.

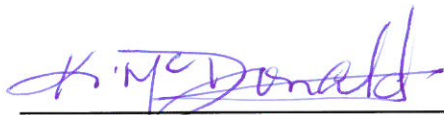
ALTERNATIVES CONSIDERED

Staff considered not utilizing Ellipse brand software; however, that is not a viable alternative as LBT would have no ERP software availability to conduct its daily operations.

BUDGETARY/FISCAL IMPACT

Staff is requesting authorization for the President and CEO to enter into a contract with TPSCO, Inc., to update Ellipse brand software for a total amount not to exceed \$496,520.

Funds for this project have been identified in the previously approved FY 2016 Capital Budget.



Kenneth A. McDonald
President and Chief Executive Officer