

**SUBJECT**

*Ellipse Software Annual Licensing and Support Renewal*

**RECOMMENDATION**

*To authorize the President and CEO to enter into a three-year contract with ABB, Inc., to renew the software licensing and support services for Ellipse, Long Beach Transit's enterprise business software, for a total authorization amount not to exceed \$322,714.*

**BACKGROUND**

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

LBT uses Ellipse software for a variety of critical functions including:

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

The software licensing and support contract in place with ABB, Inc., ensures the usage of Ellipse software and technical support for this business software.

**PROCUREMENT**

ABB, Inc., is the sole provider of support services for Ellipse. Due to this proprietary status, this is a sole-source procurement.

The three-year contract total—which includes the software licensing and support services in the amount of \$104,926 for year 1; \$107,550 for year 2; and \$110,238 for year 3—was determined to be fair and reasonable by LBT's Purchasing department. The cost is consistent with previous annual support contracts with ABB, Inc.

**DBE/SBE PARTICIPATION**

A Small Business Enterprise (SBE) goal was not established due to the specialized nature of this solicitation.

**ALTERNATIVES CONSIDERED**

The Board may choose not to approve the recommendation. However, staff does not recommend this option, as Ellipse is critical in the continuation of LBT's operations and LBT would be infringing on software copyright laws by using the software without the licensing renewal.

**BUDGETARY/FISCAL IMPACT**

Staff is requesting LBT's Board of Directors to authorize the President and CEO to enter into a three-year contract with ABB, Inc., to renew the software licensing and support services for Ellipse, LBT's enterprise business software, for a total authorization amount not to exceed \$322,714.

Funds for Year One of this contract were included in the Fiscal Year 2018 operating budget, and funding for subsequent years will be included in future operating budgets.



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Kenneth A. McDonald  
President and Chief Executive Officer