Engineering, Operations & Technology Committee

Services Procurement Module Implementation on Oracle EBS

Item: **7-5**
January 8, 2024

Item 7-5

Services Procurement Module Implementation on Oracle EBS

Subject

Authorize an agreement with Application Software Technology, LLC in an amount not to exceed $800,000 for the Oracle E-Business Suite Procurement Services Module Implementation.

Purpose

This implementation will streamline the Construction Contracts and Procurement business process, automating retention or other withholdings required to be specified as liabilities, eliminate missed retention withholdings from future payments and record the transactions correctly and timely in the General Ledger, thereby avoiding penalties and saving funds for Metropolitan.

Recommendation and Fiscal Impact

Authorize an agreement with Application Software Technology, LLC in an amount not to exceed $800,000 for the Oracle E-Business Suite Procurement Services Module Implementation.

Budgeted

Background

- The Oracle EBS is the primary financial system used at Metropolitan for Purchasing, Accounts Payable, Accounts Receivable, Fixed Assets, iProcurement, Inventory, iExpenses and General Ledger (GL) Reporting.

- Currently, the Service Contracts are not automated and are managed by the Construction Contracts staff in Engineering Services Group, in coordination with Finance for Payment Processing.

- Metropolitan is seeking Professional Services to implement a new Services Procurement module, for automating the process of handling the Engineering Construction Services contracts & Payments.

High Level Scope of Work

- The new Oracle on-prem Services Procurement Module will be integrated with the existing EBS platform.

- To improve the process efficiency and comply with the financial reporting and audit requirements.

- To automate retention transactions at the time of payment, as per the terms in construction contracts and agreements.

- To record the transactions correctly and timely in the GL, thereby eliminating missed retention withholdings from future payments, avoiding high penalties.

High Level Scope of Work

- To use other available standard features of this new module for contract management that better integrates with the existing Oracle EBS platform, providing a user-friendly interface for business users.

- To document the entire business process and perform knowledge transfer with adequate hands-on testing by the business users.

Procurement

- June 2, 2023 - RFP 1349 with Business Requirements issued.

- July 10, 2023 – Only one Vendor responded with the proposal.

- August 1, 2023 - Evaluation & Scoring completed. The Panel consisted of five scorers, one SME from each stakeholder group and two Technical Advisors.

- September 9, 2023 - Follow up Demo & Q&A conducted by Procurements & Contracts.

- September 26, 2023 – a Request To Award Memo (RTAM) for $800,000 was approved.
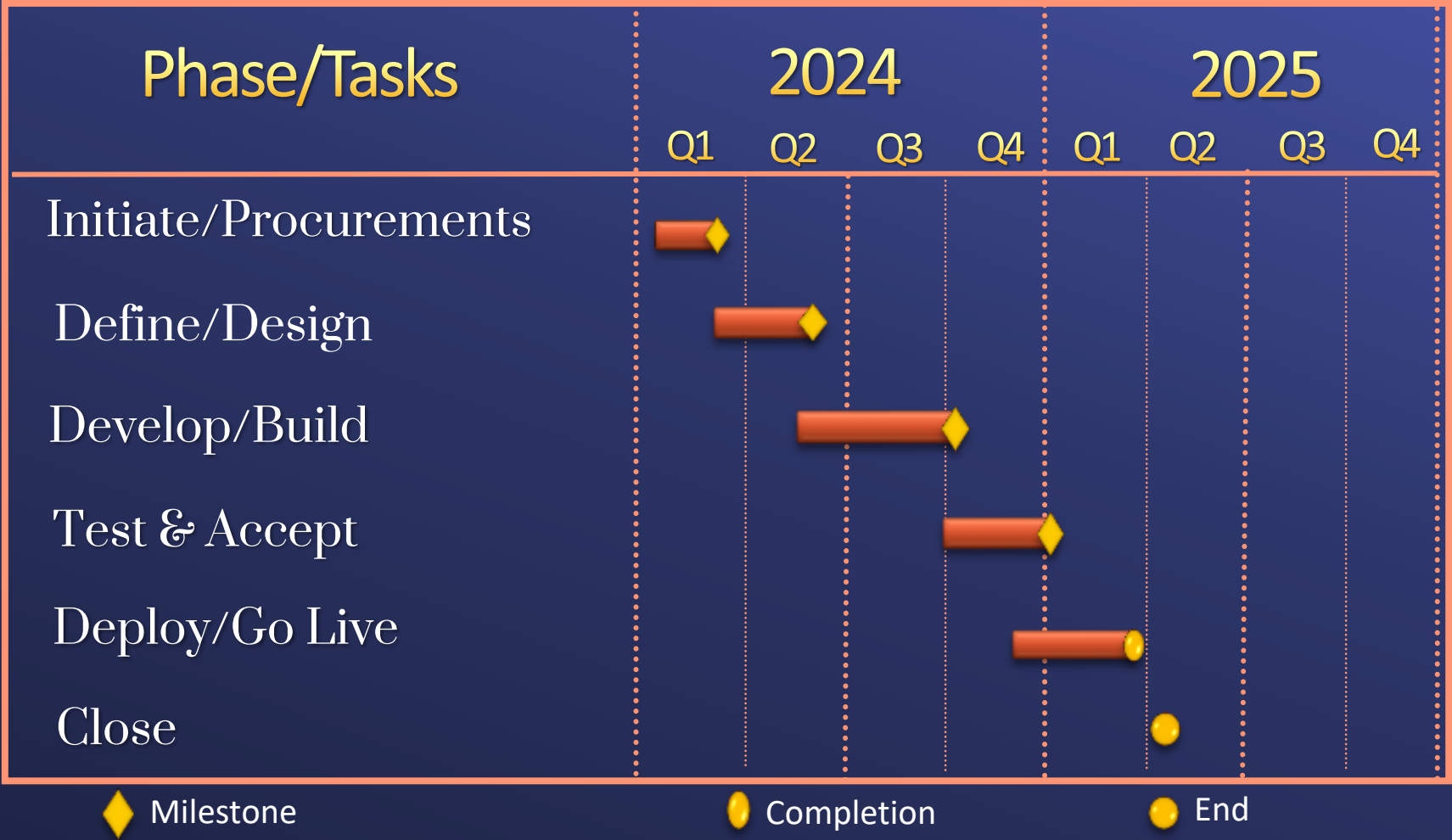
Vendor Selection

- Vendor selection was based on final scores derived from the evaluation criteria defined in the RFP.

- The SBE/RBE/DVBE participation goal designated for this solicitation was twenty-five percent (25%).

- The vendor did not qualify for SBE/RBE/DVBE.

- Application Software Technology, LLC was selected as the winning vendor.

Budget Cost Breakdown

Description	FY 2023-24	FY 2024-25	Total
Oracle Procurement Services Implementation			
MWD Labor	$ 300,000	$ 368,000	$ 668,000
Software Licenses		$ 80,000	$ 80,000
Professional & Technical Services	$ 500,000	$ 300,000	$ 800,000
Contingency		$ 172,000	$ 172,000
Total Project Budget	$ 800,000	$ 920,000	$ 1,720,000

Timeline Estimates

Project Plan Milestones

Phase/Tasks	2024				2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Initiate/Procurements								
Define/Design								
Develop/Build								
Test & Accept								
Deploy/Go Live								
Close								

◆ Milestone   🟡 Completion   🟡 End

Board Options

Option #1
- Authorize an agreement with Application Software Technology, LLC in an amount not to exceed $800,000 for the Oracle E-Business Suite Procurement Services Module Implementation.

Option #2
- Do nothing at this time.

Staff Recommendation

Option #1