

PROCUREMENT SUMMARY

ORACLE HUMAN CAPITAL MANAGEMENT CLOUD SUITE
IMPLEMENTATION/PS100859000

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| 1. | Contract Number: PS100859000 | |
| 2. | Recommended Vendor: Deloitte Consulting LLP | |
| 3. | Type of Procurement (check one) : <input type="checkbox"/> IFB <input type="checkbox"/> RFIQ <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order | |
| 4. | Procurement Dates : | |
| | A. Issued : February 17, 2023 | |
| | B. Advertised/Publicized: February 23, 2023 | |
| | C. Pre-Proposal Conference: February 28, 2023 | |
| | D. Proposals Due: March 27, 2023 | |
| | E. Pre-Qualification Completed: November 29, 2023 | |
| | F. Ethics Declaration Forms submitted to Ethics: March 28, 2023 | |
| | G. Protest Period End Date: February 20, 2024 | |
| 5. | Solicitations Picked up/Downloaded: 41 | Proposals Received: 4 |
| 6. | Contract Administrator: Annie Duong | Telephone Number: (213) 418-3048 |
| 7. | Project Manager: Medik Ghazikhanian | Telephone Number: (213) 922-4910 |

A. Procurement Background

This Board Action is to approve the award of Contract No. PS100859000 in support of the acquisition and implementation of the Oracle Human Capital Management (HCM) Cloud Suite application and software support services. Board approval of contract award is subject to the resolution of all properly submitted protest(s), if any.

On February 17, 2023, Request for Proposal (RFP) No. PS100859 was issued as a competitive procurement in accordance with Metro's Acquisition Policy and the contract type is firm fixed price. This RFP was issued with a Diversity & Economic Opportunity Department Race Conscious Disadvantaged Business Enterprise (DBE) goal of 15%.

One (1) amendment was issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on March 13, 2023, extended the proposal due date, revised the Evaluation Criteria/Minimum Requirements and Qualifications to include public sector experience with multiple bargaining unions and updated LOI-15 RC DBE Program, to align with the established DBE goal.

A total of 41 firms downloaded the RFP and were included on Metro's planholders list. A virtual pre-proposal conference was held on February 28, 2023, with 21

participants in attendance representing 12 firms. There were 42 questions received, and responses were released prior to the proposal due date.

A total of four proposals were received by the due date of March 27, 2023, and are listed below in alphabetical order:

1. Applications Software Technology LLC (AST)
2. Deloitte Consulting LLP
3. Infosys Public Services, Inc.
4. KPMG LLP

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of Metro staff from Information Technology, Accounting, and Talent Management was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria:

Evaluation of Minimum Requirements and Qualifications: These are pass/fail criteria. To be responsive to the RFP minimum requirements, proposers must meet the following:

1. Provide lead implementation and integration services for a minimum of five major Oracle HCM Cloud Suite implementation projects, one of which must be for over 3,000 employees and possess multi-year public sector knowledge;
2. Have led the successful implementation of an Oracle HCM Cloud Suite system for a public sector organization with multiple bargaining unions; and
3. Successfully completed a cross-organizational implementation project for a minimum duration of 12 months, with 2,000 users/recipients, and involved at least three (3) interdependent disciplines/departments/functional areas.

One of the four proposals received was deemed non-responsive to the RFP requirements. Infosys Public Services, Inc. failed to meet all the minimum qualification requirements and was therefore excluded from further consideration.

On May 9, 2023, the PET continued to evaluate the remaining three proposals based on the following weighted evaluation criteria:

- | | |
|---|-----------|
| • Contractor's Business and Service Profile | 20 Points |
| • Public Sector Knowledge and Experience | 30 Points |
| • Project Methodology, Approach, and Schedule | 30 Points |
| • Cost Proposal | 20 Points |

The evaluation criteria are appropriate and consistent with criteria developed for similar types of procurements. Several factors were considered when developing

these weights, giving the greatest importance to both the public sector knowledge and experience; and project methodology, approach, and schedule. The PET evaluated the proposals according to the pre-established evaluation criteria.

On May 25, 2023, the PET reconvened and determined that all three firms were within the competitive range and were invited to participate in interviews from June 2, 2023 to July 10, 2023. Each firm had the opportunity to present their team's qualifications and respond to the PET's questions.

Following interviews, the PET finalized technical scores based on written proposals and interviews. On July 24, 2023, the PET completed its evaluation and determined Deloitte Consulting LLP to be the highest ranked proposer. Staff conducted negotiations with the firm on pricing and terms and conditions through December 2023.

Qualifications Summary of Firms within the Competitive Range:

Deloitte Consulting LLP

Deloitte Consulting LLP (Deloitte), a subsidiary of Deloitte LLP, is a member firm of Deloitte Touche Tohmatsu Limited (DTTL). It provides consulting, risk management, financial advisory, audit, and tax services. Deloitte has implemented numerous public-sector HCM projects for over three decades, including some of the largest and most complex implementations in the US and overseas. It has deployed similar solutions for several purpose-driven global organizations such as Catholic Relief Services, Save the Children, along with public sector organizations like Metrolinx, University of Pittsburg, and DeKalb County. Deloitte has around 3,000 certified Oracle Cloud HCM consultants globally, assisting more than 300 clients through their HR transformation journeys on Oracle Cloud. These clients vary across industries and sectors like healthcare, banking and finance, utilities, construction, and hospitality.

Deloitte's proposal demonstrated strong functional, technical, and project management competence and the necessary capabilities to implement the Oracle HCM cloud solution for Metro. It has implemented Oracle HCM cloud solutions in many organizations similar to Metro and has qualified staff with years of experience in Oracle Cloud HCM implementations.

Applications Software Technology LLC (AST)

Applications Software Technology (AST), headquartered in Lilse, IL, has been in business for over 26 years. It is a full-service enterprise systems integrator, serving and guiding digital transformation for clients in the government and commercial sectors. From on-premises applications to modern cloud technology, AST's services encompass all aspects of Enterprise Resource Planning, Business Intelligence, Enterprise Performance Management, Customer Experience, and Middleware.

KPMG LLP

KPMG LLP, headquartered in New York, NY, is the US member firm of the KPMG global organization of independent professional services firms providing audit, tax and advisory services. Its origin can be traced back to 1987 and since 1994, has been a limited liability partnership registered in Delaware. The KPMG global organization operates in 143 countries and territories and has more than 30 years of experience in large-scale, global Oracle technology enabled HR Transformation programs providing audit, tax, and advisory services. For more than 40 years, KPMG has helped some of the largest companies including Metro, City of Los Angeles, Los Angeles Department of Water and Power, Los Angeles Port Authority, Bay Area Toll Authority, California Department of Transportation, Metrolinx, and Austin CapMetro.

The following is a summary of the PET scores:

| 1 | Firm | Average Score | Factor Weight | Weighted Average Score | Rank |
|-----------|---|----------------------|----------------------|-------------------------------|-------------|
| 2 | Deloitte Consulting LLP | | | | |
| 3 | Contractor's Business and Service Profile | 90.00 | 20.00% | 18.00 | |
| 4 | Public Sector Knowledge and Experience | 85.33 | 30.00% | 25.60 | |
| 5 | Project Methodology, Approach and Schedule | 84.67 | 30.00% | 25.40 | |
| 6 | Cost Proposal | 67.65 | 20.00% | 13.53 | |
| 7 | Total | | 100.00% | 82.53 | 1 |
| 8 | Applications Software Technology LLC (AST) | | | | |
| 9 | Contractor's Business and Service Profile | 72.00 | 20.00% | 14.40 | |
| 10 | Public Sector Knowledge and Experience | 71.33 | 30.00% | 21.40 | |
| 11 | Project Methodology, Approach and Schedule | 62.33 | 30.00% | 18.70 | |
| 12 | Cost Proposal | 100.00 | 20.00% | 20.00 | |
| 13 | Total | | 100.00% | 74.50 | 2 |
| 14 | KPMG LLP | | | | |
| 15 | Contractor's Business and Service Profile | 78.00 | 20.00% | 15.60 | |
| 16 | Public Sector Knowledge and Experience | 74.67 | 30.00% | 22.40 | |
| 17 | Project Methodology, Approach and Schedule | 78.67 | 30.00% | 23.60 | |
| 18 | Cost Proposal | 47.05 | 20.00% | 9.41 | |

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|----|-------|--|---------|-------|---|
| 19 | Total | | 100.00% | 71.01 | 3 |
|----|-------|--|---------|-------|---|

C. Cost Analysis

The recommended price has been determined to be fair and reasonable based upon an independent cost estimate (ICE), cost analysis, technical analysis, fact finding and negotiations. The negotiated amount is approximately 9% lower than the ICE.

Staff successfully negotiated cost savings of \$850,000.

| | Proposer Name | Proposal Amount | Metro ICE | Negotiated Amount |
|----|--|-----------------|--------------|-------------------|
| 1. | Deloitte Consulting LLP | \$14,769,723 | \$15,251,200 | \$13,919,723 |
| 2. | Applications Software Technology LLC (AST) | \$9,989,226 | | |
| 3. | KPMG LLP | \$21,233,087 | | |

D. Background on Recommended Contractor

Deloitte Consulting LLP, a subsidiary of Deloitte LLP, is headquartered in New York, NY and has an office in Los Angeles. Its public sector clients in California include the County of Los Angeles, California Statewide Automated Welfare System, California Healthcare Eligibility, Enrollment and Retention System, California Department of Public Health, California Department of Motor Vehicles, California Department of Water Resources, California Department of Fish and Wildlife, California State Teachers' Retirement System, California Department of Transportation, Los Angeles Department of Water and Power, Los Angeles World Airports, and the City of Los Angeles.

The Deloitte team includes two DBE-certified subcontractors: Kaygen Inc. providing functional, technical, and training support and E.K. Technologies DBA E.K. Associates providing administrative, training, and change management support. Deloitte Consulting LLP has previously worked with its subcontractors on several Oracle, public agency, and transportation projects across the country.

The Deloitte organization has provided financial advisory support services to Metro and performance has been satisfactory.