




San Mateo County
TRANSIT DISTRICT

Business Optimization Program
Program Update and Hosting & Application
Support Recommendation

Board of Directors
May 1, 2013

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Agenda

- **Program Update**
- **Hosting & Application Support Recommendation**

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Program Overview

- **Implementation of PeopleSoft Applications with Strong Emphasis on**
 - Cradle-to-Grave Business Process Re-engineering
 - New modules such as Grants, Project Costing, Time and Labor, Customer Contracts and Cash Management
 - Organizational Change Management
 - Professional Training
- **Functional Areas in Scope**
 - Finance , Contracts and Procurement, Grants, Human Resources, Payroll and Budgets


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Program Status

- **Contract Awarded to Wipro, Inc. on 1/12/11**
- **Phase 1 Completed in December 2011**
- **Phase 2a (Design and Build) is in progress**
 - Program schedule re-baselined due to unavailability of contractor key resources
 - Current go-live date planned for 4/7/14
- **Phase 2b (Test, Train & Deliver) option exercised in June 2012**
- **Hardware Support Service for BOP included as part of the contract in June 2012**
 - Data center, servers, operating systems, databases, backup & recovery and monitoring systems & tools

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Financial Update

Approved Budget		\$19,297,515
Value of Contract Awarded to Wipro, Inc.	\$11.2M	
Project Soft Costs Incurred (approx.)	\$5.3M	
Total Uncommitted Funds (approx.)	\$2.8M	

Note: Additional \$2 million included as part of FY2014 capital budget request for soft cost increases due to timeline extension

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Hosting and Application Support

- Staff evaluated various options for the long-term maintenance of the BOP PeopleSoft Environment after go-live
 - In-house support vs. Contracted Services
- Hosting and Application Support scope was included as part of the BOP RFP
- Wipro was awarded the BOP contract as a result of a competitive procurement process
 - Contract included an un-priced option for Hosting and Application Support

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Hosting and Application Support

- The Board approved staff's request to solicit a proposal for the un-priced option
- Initial proposal submitted in January 2012
 - Fully vetted by the BOP project team and the IT Department
 - Negotiated by the BOP PMO
 - Staff concluded Wipro proposal significantly less risky and less expensive than the in-house model
- Wipro responded to the District's comments and submitted a final proposal in April 2013


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Scope of Services

- Infrastructure Hosting Services:
 - Data Centers (Kings Mountain, NC and Tempe, AZ)
 - 24X7 Physical and Data Security
 - Hardware, Operating Systems, Databases and Monitoring Systems
 - Backup and Disaster Recovery Services
 - Service Level Agreement for System Availability (99.6%)
- Infrastructure Support
- Application Support
- Integrated Helpdesk for Infrastructure and Applications

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Cost Breakdown

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	TOTAL
Hosting	\$183,720	\$328,320	\$328,320	\$328,320	\$328,320	\$249,788	\$1,746,788
VPN - 3 Mbps	\$4,250	\$10,200	\$10,200	\$10,200	\$10,200	\$7,650	\$52,700
Service Desk	\$169,280	\$40,000	\$40,000	\$40,000	\$40,000	\$30,000	\$359,280
Application Support	\$323,215	\$960,245	\$1,006,234	\$1,010,804	\$1,008,126	\$807,707	\$5,116,331
Total by FY	\$680,465	\$1,338,765	\$1,384,754	\$1,389,324	\$1,386,646	\$1,095,145	\$7,275,099

- Wipro Recommends a budget of \$2.25 million in FY2017 or FY2018 for PeopleSoft Upgrade
- Extended Services cost based on negotiated rate card or fixed price based on scope of work

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Alternative

- Host, maintain and support the application in-house
 - Procure and install hardware and software
 - Hire, train and retain resources
 - Expand help desk coverage
 - Develop and implement Disaster Recovery capability
- Total Cost of Ownership for 5 years ~ \$10.1M
 - \$2+ million more expensive
 - Higher risk

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Risks of Hosting In-house

- Current data center located in the basement of the District headquarters represents increased flood and earthquake risk
- The District has no disaster recovery capabilities for its data center
- The District does not have experienced IT staff that can plan, build, operate and maintain the infrastructure required to support the PeopleSoft suite of applications

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Recommended June Action

- Authorize GM/CEO to exercise the Hosting and Application Support Option for 62 months for \$7,275,099

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