MEMORANDUM

To: Ted Smith, Chair of TARC Board of Directors

From: Ozzy Gibson, Interim-Executive Director

Date: March 27, 2024

Re: Resolution 2021-24 Sole Source 20211525 Amendment to Ellipse Annual Licensing Fees

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TARC's enterprise-wide resource planning system (Ellipse Software) was originally procured and awarded through a competitive bidding process in early 2000. The system was implemented in 2002 and later upgraded in 2018. The system has been in place for over twenty years and the contract was at its final option of which it has expired on June 30, 2021.

In order to meet our asset management and state of good repair requirements, we believe it is important that we continue to use the system. However, TARC requires that licensing of Ellipse and any software system be provisioned annually with a year-to-year agreement.

In May 2021, we requested Hitachi Power Grids (formerly ABB) for a sole source quote for the continued licensing and support of the ERP system. Based on our request, Hitachi provided the following pricing for the upcoming five (5) years. The agreement with Hitachi will be renewable annually, thus this agreement will be brought in front of the Board for approval each year. Our Director of Procurement also requested a change in the billing cycle from annual to quarterly invoicing which will begin April 1, 2024. Hitachi has agreed to the requested change.

YEAR	JUL 2021	JUL 2022	JUL 2023	**JUL 2024**	JUL 2025
ESCALATOR	5%	5%	5%	**5%**	5%
EST. ANNUAL FEE	$145,364.10	$152,632.31	$160,263.92	**$168,277.12**	$176,690.97

The Procurement Department performed a pricing analysis and an Independent Cost Estimate for the licensing fees and found that the price provided is fair and reasonable.

The Review Committee recommends the award of an agreement for Ellipse Software Licensing to Hitachi Power Grids.

At this time, we respectfully request the Board of Directors to authorize the Interim-Executive Director to enter into a licensing agreement with an initial term of one (1) year and an option of four (4) one-year terms with Hitachi Power Grids for Ellipse ERP Software.

Please call me at 561-5100 if you have any questions. Thank you.

RESOLUTION 2021-24
Amendment to Ellipse Software Licensing

A Resolution authorizing the Interim-Executive Director to enter into an Initial Term of one (1) year with an Option of four (4) one-year term and the Option term to be brought in front of the Board for approval annually:

WHEREAS, TARC seeks an enterprise resource planning software firm to provide and assist TARC with its Financial and Operational resource software system needs; and,

WHEREAS, a sole source, quote request for pricing proposal was requested on May 25, 2021.

WHEREAS, TARC received a proposal from Hitachi and were deemed responsive,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Transit Authority of River City that:

The Interim-Executive Director is hereby authorized to enter into an Initial Term of one (1) year with an Option of four (4) one-year term contract with Hitachi ABB Power Grids based upon Price Sheet herein for Ellipse Software and Licensing for a not-to-exceed amount of $168,277.12.

ADOPTED THIS 27th DAY OF March 2024

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Ted R. Smith, Chair of the Board of Directors