




APRIL 30, 2003


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TO: BOARD OF DIRECTORS

THROUGH: ROGER SNOBLE
CHIEF EXECUTIVE OFFICER 

FROM: RICHARD BRUMBAUGH
CHIEF FINANCIAL OFFICER 

SUBJECT: FINANCIAL INFORMATION SYSTEM UPGRADE

ISSUE

At the April 2003 Budget and Finance Committee meeting, Director Yoh requested the funding information for the Financial Information System (FIS) Upgrade project. She also requested clarification on the resulting sole source award.

BACKGROUND

In December 1993, under the direction of the MTA Board, a Request For Proposal was released to acquire and implement a new financial system to support the accounting needs of the newly formed agency. In May 1994, Board approved a contract award to Oracle Corporation, the highest rated proposer. MTA's financial information system came online in March 1996.

DISCUSSION

Oracle Corporation develops, manufactures, and distributes its software products for corporate use through its sales personnel. As Oracle maintains its own sales and distribution channels, they are the sole source for their products.

Oracle Corporation also maintains a consulting services practice to implement its products. As the product developer, they have intimate and current knowledge of how their products function. While other consulting services firms can offer implementation services, their knowledge and experience are usually not the most current or complete as it is gained after undertaking implementation projects for client organizations. Use of Oracle's consulting services personnel to assist in implementation of new products is the recommended approach to minimize risk and budget impacts.

The Financial Information System Upgrade project is being funded through a combination of 80% participation of federal funds and 20% participation of local funds.