



**ITEM ID:** 2023-227-0

**TRANSMITTAL DATE:** June 16, 2023

**MEETING DATE:** June 23, 2023

**TO:** Board of Directors

**FROM:** Arnold Hackett, Chief Financial Officer

**SUBJECT:** FY2023-24 Annual Authorization and Extend Period of Performance for Software License, Maintenance, and Support Agreements

### **Issue**

Annual license and support renewals for various required software packages and services are needed to continue Authority operations, including the network, financial system, asset management, train scheduling, safety management, Computer Aided Dispatch system, and Positive Train Control (PTC).

### **Recommendation**

CONTRACTS, OPERATIONS, MAINTENANCE, AND SAFETY COMMITTEE RECOMMENDED (5-0) the Board approve a total not-to-exceed annual amount of \$1,688,732 for FY2023-24 for the software license, maintenance, and support agreements listed in Attachment A and to extend the terms to June 30, 2024, contingent upon Board approval of the FY2023-24 budget.

### **Strategic Commitment**

This report aligns with the Strategic Business Plan commitment of:

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair and investing in the development of our employees. These various licenses support the Authority's business functions and system.

## **Background**

The software is used to support the Authority's day-to-day operations. Most of the software in use is proprietary, requiring licenses, subscriptions, and/or support agreements with the manufacturer or designated distributor. In some cases, the support agreement provides programming and maintenance services for the integration of software packages or maintenance of web activities. Continued use of the software or services requires annual payments for renewal of access, subscription of license, and annual maintenance and support services.

## **Discussion**

The Authority began using the annual Board approval process in 2013 to seek annual authority for five categories, including:

1. Software License, Maintenance, and Support Agreements (Licenses)
2. Original Equipment Manufacturers Agreements for Rolling Stock Components, Communication Signal Equipment, and Positive Train Control Requirements (OEMs)
3. Maintenance, Repair and Operations Agreements (MROs)
4. Administrative and Operating Services Agreements (Admin & Ops)
5. Communication Network Towers and Related Leasing Agreements (Towers)

As part of Annuals development process, staff assessed the services and agreements included in Attachment A to ensure that they were appropriate to maintain in the FY2023-24 Annuals.

The requested annual authority for the agreements included in Attachment A are based on estimated amounts developed by the respective Project Managers. The Project Managers, along with the Authority's Budget Team, have confirmed that the requested amounts are reflected in each Department's corresponding annual budget requested.

### **Disadvantaged Business Enterprise (DBE) Requirements**

These agreements are not federally funded; therefore the DBE program is not applicable.

## **Budget Impact**

The amounts for which annual authority is requested are included in, and are contingent upon, the adoption of the Proposed FY2023-24 Operating Budget (\$1,688,732).

## **Next Steps**

Upon Board approval of these Annual items, and approval of the FY2023-24 budget, staff will execute the Annual items beginning on July 1, 2023.

Prepared by: Brian Jacob, Senior Contract and Compliance Administrator

Approved by: Arnold Hackett, Chief Financial Officer

**Attachment(s)**

[Attachment A - FY24 Annuals - Licenses](#)