



AGENDA REPORT

PROPOSED ACTION: Resolution: Approve and Authorize the Executive Director to (1) Negotiate and Execute a Professional Services Agreement with Navisite LLC for Managed Services and Operational Support for Oracle E-Business Suite on the Oracle Cloud Infrastructure Platform for a Five-Year Term with Two One-Year Options to Extend and a Maximum Compensation Not to Exceed \$2,087,000; and (2) if Negotiations with Navisite LLC are Unsuccessful, Negotiate with the Next Highest Rated Firms in Order of Ranking Until an Agreement is Reached, and Execute a Professional Services Agreement for a Maximum Compensation Not to Exceed \$2,900,000. **(Finance and Admin)**

Submitted By: Julie Lam, CFO; Danny Wan, Executive Director

Parties Involved: Navisite LLC, Andover, MA

Amount: Total Amount Not to Exceed \$2,900,000 (Operating Expense)

EXECUTIVE SUMMARY: The Port of Oakland (Port) utilizes Oracle’s E-Business Suite Enterprise Resource Planning (ERP) system to manage its finance, payroll, human resources, procurement, assets, projects, and property billing functions. The Port contracts with an Oracle certified service partner skilled in database administration, infrastructure support, maintenance, product support, and security to provide daily monitoring and operational support (Managed Services) of the Port’s Oracle ERP system. Port Staff work with our Managed Services provider to deploy regular security patches, system upgrades, bugs fixes, and new product deployments for the Oracle ERP system hosted on the Oracle Cloud Infrastructure (OCI) platform. The Port’s current Managed Services contract expires at the end of November 2024.

BACKGROUND & ANALYSIS

The Port has contracted with various professional service providers to perform critical database administration, infrastructure hosting, new product implementation, system upgrades, and infrastructure management of the Port’s Oracle ERP system since the complex system was implemented in 2010. In May 2024, the Port’s Oracle ERP system was migrated to OCI, enhancing security and providing access to newer monitoring systems and tools. The Port’s current Managed Services provider, Navisite LLC (Navisite), played a critical role in assisting the Port with this migration and continues to provide functional and technical support of the system now hosted in OCI. Port Staff is currently working on several priority projects to improve system reliability and performance, maintain and improve system interfaces and security, perform recommended system upgrades, and enhance the users experience with new systems and reporting tools. The Port’s current Managed Services contract will expire on November 30, 2024.

In July 2024, Port Staff issued a formal Request for Proposals (RFP) for Managed Services for Oracle E-Business Suite on OCI Infrastructure, RFP No, 24-25/02. An

optional pre-proposal meeting was held on August 13, 2024, and was attended by ten consultant firms. The Port received eight proposals on September 5, 2024. The Evaluation Committee, comprised of four members of the Enterprise Resource Planning Staff and a representative from the Social Responsibility Division, evaluated and scored the eight proposals based on the criteria set forth in Table 1 below.

**Table 1
RFP Proposal Scoring Criteria**

Item	Criteria	Weights
1	Adherence to Port Policy and Other Requirements and Debarment Statement	Pass/Fail
2	Company Information, Litigation and Other Information, and Required Forms	15
3	Qualifications, Expertise, and Experience	30
4	Plan and Approach	20
5	Proposed Cost	20
6	Non-Discrimination and Small Local Business Utilization Policy (NDSLBP)	15
	Total	100

Based on the scoring criteria, the firms were ranked as shown on Table 2. Navisite, was the top ranked firm because their service offering met the majority of our criteria for a Managed Services provider with recent and relevant experience providing daily operational support, product support, and new system implementation, similar to the Port's current goals at the most affordable cost.

Navisite listed several items within the Port's standard terms and condition language that are now being negotiated. Port Staff will continue negotiations, however, if an agreement on contract terms cannot be reached in a timely manner with the highest qualified firm, Port Staff will seek to reach an agreement with the next best qualified firm, and so on, until compensation, fees, and terms for Managed Services can be reached with one of the proposers. Port Staff is requesting for the Executive Director to have authority to execute an agreement with another firm for an amount not to exceed \$2,900,000, only if Port Staff is unable to agree on contract terms with Navisite.

**Table 2
Consultant Ranking**

Ranking	Consultant Team	Location
1	Navisite LLC	Andover, MA
2	Applications Software Technology LLC aka AST LLC	Lisle, IL
3	Mythics, LLC	Virginia Beach, VA
4	Oracle America, Inc.	Redwood Shores, CA
5	4i Apps Solutions LLC	Germantown, MD
6	Mirage Software Inc. dba Bourntec Solutions Inc.	Schaumburg, IL
7	mLogica LLC	Las Vegas, NV
8	Strategic Resources International Inc. (SRI)	Parlin, NJ

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

Categorically exempt under the following CEQA Guidelines Section:

Choose an item.

Not a "Project" under CEQA, as defined in Public Resources Code § 21065.

"Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).

Other/Notes:

BUDGET

Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR

Operating

Non-Operating

Capital

Analysis: Managed Services costs are included in Finance's FY 2025 operating budget. There is no impact to the budget.

STAFFING

No Anticipated Staffing Impact.

Anticipated Change to Budgeted Headcount.

Reason:

Other Anticipated Staffing Impact (e.g., Temp Help).

Reason:

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):

Applies? No (Not Aviation or Maritime CIP Project) – proposed action is not covered work on Port's Capital Improvement Program in Aviation or Maritime areas above the threshold cost.

Additional Notes:

LIVING WAGE (City Charter § 728):

Applies?

No (Not Covered Entity) – proposed action involves entity not covered by Living Wage requirements because it is not a covered service provider or tenant, does not employ at least 21 employees, or receive from or pay to Port at least \$50,000.

Additional Notes:

SUSTAINABLE OPPORTUNITIES:

Applies? **No.**

GENERAL PLAN (City Charter § 727):

Conformity Determination:

<p><u>Reason:</u> There are no sustainability opportunities related to this proposed action because it does not involve a development project, purchasing of equipment, or operations that present sustainability opportunities</p>	<p>No Project – conformity determination not required because proposed action does not change use of or make alterations to an existing facility, or create a new facility.</p>
<p><u>STRATEGIC PLAN.</u> The proposed action would help the Port achieve the following goal(s) and objective(s) in the Port’s Strategic Business Plan:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Grow Net Revenues <input type="checkbox"/> Improve Customer Service <input checked="" type="checkbox"/> Strengthen Safety and Security <input type="checkbox"/> Care for Our Environment <input checked="" type="checkbox"/> Modernize and Maintain Infrastructure <input type="checkbox"/> Pursue Employee Excellence <input type="checkbox"/> Serve Our Community 	