



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

1. Agenda Item Number:

27

2. Council Meeting Date:
February 24, 2011

TO: MAYOR & COUNCIL

3. Date Prepared: February 9, 2011

THROUGH: CITY MANAGER

4. Requesting Departments: Management Services/ Human Resources/City Manager

5. SUBJECT: Approve the utilization of General Services Administration (GSA) contract GS-35F-0009 for the purchase of Oracle licenses for the Oracle Release 12 upgrade project in an amount not to exceed \$83,341.

6. RECOMMENDATION: Recommend approval of the utilization of GSA contract GS-35F-0009 for the purchase of Oracle licenses for the Oracle Release 12 upgrade project in an amount not to exceed \$83,341.

7. HISTORICAL BACKGROUND/DISCUSSION: The City originally selected and implemented the Oracle eBusiness Suite to serve as the citywide integrated system for managing financial and human resources processes in 1998. This included the purchase and implementation of the following modules: HRMS, Fix Assets, Projects, Inventory, Purchasing, Accounts Payable, Accounts Receivable, Cash Management, Order Management, General Ledger and Payroll. Much of the system was highly customized to the City's business processes in existence at the time.

Oracle has announced that it will no longer support the software version that the City is currently running after November 2013, except for federally mandated requirements. Since the City depends on regular updates to the software for tax law changes and other system fixes and improvements, the City must remain current with a supported version of the software. The City plans to look at modifying business processes to conform to the processes built into the software wherever possible to reduce the amount of customization and make future software version upgrades much easier to implement. The City is also looking at implementing some of the modules that were not implemented during the original project but have become necessary as the City's organization has grown and transactions have become more complex.

In order to assure the processing of routine financial transactions, such as vendor payments and payroll, the upgrade must be completed by the end of November 2013, when the support for the current system ends.

Staff considered looking at solutions other than the current Oracle system. Considering the current economic climate and the cost to retrain all users in another system, and potential loss of functionality, it was determined that it would not be practical, nor cost effective. This contract covers the costs of the upgrade licenses as well as licenses for the addition of three new modules. There are two additional related contracts on the Council agenda for this project.

8. EVALUATION PROCESS: Oracle software licensing has been bid and awarded by the Federal Government. The use of this contract for the purchase of these licenses eliminates the cost of issuing a bid, reduces the lead time in obtaining the products and results in a lower product cost due to the Federal Government's purchasing power.

9. FINANCIAL IMPLICATIONS: Funds for this purchase are available in: 401.1285.0000.5219.11IT02 \$69,084 and 101.1286.0000.5419.11IT02 \$14,257.

10. PROPOSED MOTION: Move to approve the utilization of GSA contract GS-35F-0009 for the purchase of Oracle licenses for the Oracle Release 12 upgrade project in an amount not to exceed \$83,341.

APPROVALS

11. Requesting Department



Dawn Lang, Assistant Management Services Director

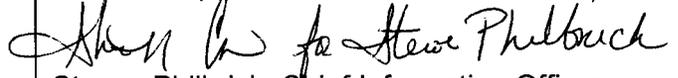
12. Department Head



Dennis Strachota, Management Services Director



Debbie Stapleton, Human Resources Director



Steven Philbrick, Chief Information Officer

13. Procurement Officer



Carolee Stees, CPPB

14. Acting City Manager



Rich Dlugas