



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

1. Agenda Item Number:

41

2. Council Meeting Date:

June 12, 2014

TO: MAYOR & COUNCIL

3. Date Prepared: May 8, 2014

THROUGH: CITY MANAGER

4. Requesting Department: City Manager

5. SUBJECT: Oracle annual support and maintenance

6. RECOMMENDATION: Recommend utilization of the Western States Contracting Alliance (WSCA) Contract #ADSPO11-007500 to purchase Oracle annual support and maintenance services from SHI International Corporation in an amount not to exceed \$282,770.

7. HISTORICAL BACKGROUND/DISCUSSION: The City utilizes Oracle database products to store data for the following major systems: Financial, Payroll/HR, Sales Tax, Work Order Management, Permits and Inspections, Utility Billing, Geographic Information and numerous other departmental systems. The City utilizes Oracle Applications, which include Self Service Human Resources, Financial, Project Billing, iExpense, User Productivity Kit, and iProcurement application modules.

Oracle support provides access to technical assistance resources to resolve system issues as well as providing software fixes. The maintenance provides system and application upgrades necessary to operate keeping the systems current.

The City purchases maintenance and support based on the number of servers and processors on which the software is running on an annual basis. The City has audited the number of licenses being used and found that no licenses can be reduced at this time.

Oracle Corporation sets the cost of ongoing support and maintenance as a fixed percentage of the software license cost at the time of initial purchase. The maintenance costs are the same regardless of the reseller.

The annual maintenance renewal last year was \$274,801. The 2.9% increase in cost for this renewal period is based on an Adjustment Rate built into the original software license purchase contract. The effective term is August 1, 2014 through July 31, 2015.

8. EVALUATION PROCESS: Oracle only utilizes resellers for their support and maintenance services. A comparative price inquiry verified that the WSCA volume discount contract with SHI International offered the lowest price.

9. FINANCIAL IMPLICATIONS: The maintenance period covered by this item is fiscal year 2014/15 and is funded in fiscal year 2014/15. Approval of this item is contingent upon Council adopting the fiscal year 2014/15 budget.

Cost:	\$282,770
Savings:	N/A
Long Term Costs:	N/A

Fund Source:

<u>Acct. No.:</u>	<u>Fund Name:</u>	<u>Program Name:</u>	<u>CIP Funded:</u>	<u>Amount:</u>
101.1200.5419.000000	General Fund	No Program	No	\$282,770

10. PROPOSED MOTION: Move to approve the utilization of the WSCA Contract #ADSP011-007500 to purchase Oracle annual support and maintenance services from SHI International Corporation in an amount not to exceed \$282,770.

APPROVALS

11. Requesting Department


Rachelle Faherty, IT Applications Support Manager

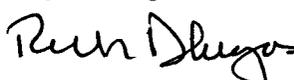
12. Department Head


Steven Philbrick, Chief Information Officer

13. Procurement Officer


Carolee Stees, CPPB

14. City Manager


Rich Dlugas