



**PURCHASING ITEM  
FOR  
COUNCIL AGENDA**

**1. Agenda Item Number:**

22

**2. Council Meeting Date:**  
June 25, 2015

**TO: MAYOR & COUNCIL**

**3. Date Prepared:** June 5, 2015

**THROUGH: CITY MANAGER**

**4. Requesting Department:** City Manager

**5. SUBJECT:** Purchase of Oracle Annual Support and Maintenance Services

**6. RECOMMENDATION:** Staff recommends City Council approve the utilization of the Western States Contracting Alliance (WSCA) Contract #ADSP011-007500, with SHI International Corporation for the purchase of Oracle annual support and maintenance services in the amount of \$291,253.

**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 also 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 and keep 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 \$282,770. The 3% 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, 2015, through July 31, 2016.

**8. EVALUATION PROCESS:** The State of Minnesota competitively solicited and awarded a contract for software and maintenance services on behalf of the Western States Contracting Alliance (WSCA). The State of Arizona has adopted the WSCA contract and because the City has a current Intergovernmental Agreement with the State, the City makes use of the contract to purchase the annual support and maintenance services for Oracle.

Staff recommends cooperative use of this contract because of the benefit of higher discounts due to the combined large volume purchases.

**9. FINANCIAL IMPLICATIONS:** The maintenance period covered by this item is fiscal year 2015/16 and is funded in fiscal year 2015/16.

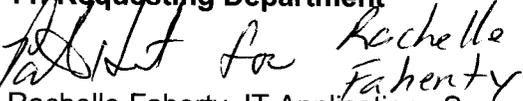
Fund Source:

<u>Acct. No.</u>	<u>Fund Name</u>	<u>Amount</u>
101.1200.5419.000000	General Fund	\$291,253

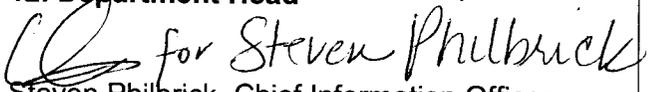
**10. PROPOSED MOTION:** Move City Council approve the utilization of Western States Contracting Alliance (WSCA) Contract #ADSPO11-007500, with SHI International Corporation for the purchase of Oracle annual support and maintenance in the amount of \$291,253.

**APPROVALS**

**11. Requesting Department**

  
Rachelle Faherty, IT Applications Support Manager

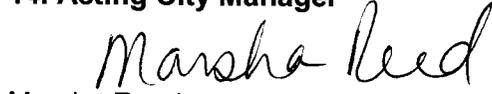
**12. Department Head**

  
Steven Philbrick, Chief Information Officer

**13. Procurement Officer**

  
Carolee Stees, CPPB

**14. Acting City Manager**

  
Marsha Reed