



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

1. Agenda Item Number:

35

2. Council Meeting Date:
June 23, 2016

TO: MAYOR AND COUNCIL

3. Date Prepared: May 17, 2016

THROUGH: CITY MANAGER

4. Requesting Department: City Manager – Information Technology

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

6. RECOMMENDATION: Staff recommends City Council approve the utilization of the National Association of State Procurement Officials (NASPO), formerly Western States Contracting Alliance (WSCA) Contract No. ADSPO11-007500, with SHI International, for the purchase of Oracle annual support and maintenance services, in the amount of \$299,990.

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 Developer, 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. City staff regularly reviews the number of licenses to ensure compliance and verify that only required licenses are being maintained.

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 annual maintenance renewal last year was \$291,253. 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, 2016, through July 31, 2017.

8. EVALUATION PROCESS: The State of Minnesota competitively solicited and awarded a contract for software and maintenance services on behalf of the Nation Association of State Procurement Officials (NASPO). The State of Arizona has adopted the NASPO 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.

9. FINANCIAL IMPLICATIONS: The maintenance period covered by this item is fiscal year 2016/17 and is funded in fiscal year 2016/17.

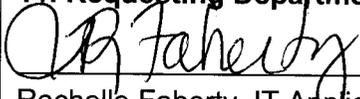
Fund Source:

<u>Acct. No.</u>	<u>Fund Name</u>	<u>Amount</u>
101.1200.5419.000000	General Fund	\$299,990

10. PROPOSED MOTION: Move City Council approve the utilization of NASPO Contract No. ADSPO11-007500, with SHI International, for the purchase of Oracle annual support and maintenance in the amount of \$299,990.

APPROVALS

11. Requesting Department



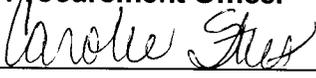
Rachelle Faherty, IT Applications Support Manager

12. Department Head



Steven Philbrick, Chief Information Officer

13. Procurement Officer



Carolee Stees, CPPB

14. City Manager

Marsha Reed