

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 11/14/05		Item Number: <u>C-5</u>	
AGENDA ITEM: Authorization to Renew the Annual Software Maintenance Contract with Oracle (Redwood Shores, CA) to Support the City's Enterprise Financial System.			
Contact Person/Dept.: Michele Seals		Phone Number: 310.253.5959	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒	Attachments: ☒
Public Notification: E-mail Master Notification List (11/10/05)			
Department Approval: John Richo 11/03/05		CAO Approval: Jerry Fulwood 11/9/05	
City Controller Approval: Marlee Chang 11/9/05			

RECOMMENDATION:

Staff recommends that the City Council authorize renewing the annual software maintenance contract with Oracle (Redwood Shores, CA) to support the City's Enterprise Financial System.

BACKGROUND:

On November 9, 1998, City Council authorized contract awards to JD Edwards and third-party vendors to provide software and implementation consulting services. Included with the purchase was a maintenance contract to ensure that Culver City receives upgrades to the software and technical support. Software upgrades are necessary for continuous vendor support and legal compliance with financial reporting and payroll/human resource processes.

In August 2003, JD Edwards was acquired by PeopleSoft and in December 2004, Oracle acquired PeopleSoft. Since the acquisition, Oracle has continued to reinforce its commitment to the existing JDE software users.

The City's current maintenance contract was approved by City Council on December 13, 2004. The maintenance contract payment was issued in the amount of \$60,950.61.

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DISCUSSION:

Oracle has communicated a strategy to the JDE and PeopleSoft clients that supports their respective current software without additional expenditures. Oracle has committed to maintaining each of the distinct software products until at least 2013. Oracle is in the process of developing a product (Fusion) that merges all three products into one software application. Specific details are not yet available on the FUSION product as the release date is not expected until the 2008/2009 timeframe.

The Oracle software maintenance contract remains unmodified from previous years. The benefits include direct telephone support to knowledgeable software technicians. If a problem is encountered that cannot be resolved over the telephone, remote diagnostic assistance is also available to further facilitate resolution. This maintenance program also ensures that software upgrades are immediately provided without additional cost.

Staff recommends renewing the financial system maintenance contract with Oracle. To date, the company has continued to provide excellent support for the JDE software system. There is no indication that continuing support with Oracle will in any way negatively impact the stability of the City's financial system.

FISCAL ANALYSIS:

There is a 3.46% increase in this year's maintenance contract. The authorization to renew the annual software maintenance contract with Oracle , would result in the expenditure of \$63,060.18 (including tax). Sufficient funds have been allocated in the Information Technology Software Maintenance Budget (10124100.600220) for this maintenance contract.

ATTACHMENTS:

1. Oracle Service Renewal Agreement

MOTION:

That the City Council:

- 1) Authorize IT to pay \$63,060.18 to Oracle for one year of financial software maintenance;

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- 2) Authorize the City Attorney to prepare any appropriate documents; and
- 3) Authorize the Chief Administrative Officer to execute any required annual renewal agreements on behalf of the City with Oracle.