

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 11/13/06		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 Williams		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 (11/08/2006)			
Department Approval: John Richo (11/02/2006)		City Manager Approval: Jerry B. Fulwood (11/08/2006)	
City Controller Approval: Marlee Chang (11/07/2006)			
<u>RECOMMENDATION:</u> Staff recommends the City Council authorize renewing the annual software maintenance contract with Oracle (Redwood Shores, CA) to support the City's Enterprise Financial System. <u>BACKGROUND:</u> 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, procurement, 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 November 14, 2005. The maintenance contract payment was issued in the amount of \$63,060.18 (payment amount includes applicable taxes).			

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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 is in the process of developing a software product (Fusion) that merges all three products into one software application. The FUSION product is expected to be released in the 2008/2009 timeframe. However, Oracle recently reaffirmed its commitment to provide support for JDE Xe (the version the City currently has installed) until 2013 (attachment 1).

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 2.95% increase in this year's maintenance contract. The authorization to renew the annual software maintenance contract with Oracle would result in the expenditure of \$62,378.86 (plus applicable taxes). Sufficient funds have been allocated in the Information Technology Software Maintenance Budget (10124100.600220) for this maintenance contract.

ATTACHMENTS:

1. Oracle Lifetime Support Policy (August 2006)
2. Oracle Service Renewal Agreement

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MOTION:

That the City Council:

- 1) Authorize IT to pay \$62,378.86 (plus applicable taxes) to Oracle for one year of financial software maintenance for the term December 2006 through November 2007;
- 2) Authorize IT to pay the annual maintenance renewal with Oracle Corporation in November 2007 provided the renewal does not exceed the previous year's price by more than 10 percent for the term December 2007 through November 2008;
- 3) Authorize the City Attorney to prepare any appropriate documents; and
- 4) Authorize the City Manager to execute any required annual renewal agreements on behalf of the City with Oracle.