

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 11/10/08		Item Number: <u>C-4</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: Master E-Mail Notification List (11/05/08)			
Department Approval: John Richo (10/30/08)		City Attorney Approval: Carol Schwab (by H. Baker) (11/05/08)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (11/03/08)		City Manager Approval: Jerry B. Fulwood (11/05/08)	
<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 13, 2006. The maintenance contract payment for 2006 was issued in the amount of \$63,060.18. The approval from Council also included a provision to pay the renewal in 2007 provided the amount did not increase by more than ten percent. The maintenance payment for 2007 was paid in the amount of \$66,900.56.			

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DISCUSSION:

Oracle has continued to communicate a strategy that supports their current software (including JDE and PeopleSoft products) without additional expenditures. Oracle's software maintenance schedule commits to providing 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:

The authorization to renew the annual software maintenance contract with Oracle would result in the expenditure of \$68,907.56 (including applicable taxes). Sufficient funds have been allocated in the fiscal 2008-09 Information Technology Software Maintenance Budget (10124100.600200) for this maintenance contract.

ATTACHMENTS:

1. Oracle Lifetime Support Policy
2. Oracle Service Renewal Agreement

MOTION:

That the City Council:

- 1) Approve the Oracle Service Renewal Agreement; and,
- 2) Authorize the City Attorney to review/prepare the necessary documents; and,

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- 3) Authorize the City Manager to execute such documents on behalf of the City; and,
- 4) Authorize IT to pay \$68,907.56 to Oracle for one year of financial software maintenance for the term December 2008 through November 2009;
- 5) Authorize IT to pay the annual maintenance renewal with Oracle Corporation in November 2009 and each year thereafter for a period not more than three additional years, unless the renewal exceeds the previous year's price by more than ten percent or if the service is deemed unnecessary by the City's Chief Information Officer (CIO);