AGENDA ITEM

Report: Purchase of Annual Software Maintenance and Support with Oracle America, Inc. for the City's Oracle Database System

1. Motion authorizing the Deputy Director of Finance - Purchasing, to issue a purchase order with Oracle America, Inc. to purchase annual critical maintenance, support, updates, and licensing for the total cost not to exceed $225,000 for the first year and thereafter for the life of the software.

COUNCIL ACTION

Item Type: Consent Calendar

Approved for _____July 20, 2021_____ **calendar**

ADMINISTRATIVE ACTION

Submitted by:
Jason Bradford, Chief Information Officer

Prepared by:
Martha Ray, Technical Staff Analyst
Lisette Pagliassotto, IT Applications Manager
Hagop Hovsepian, Assistant Chief Information Officer

Reviewed by:
Michele Flynn, Director of Finance
Michael J. Garcia, City Attorney

Approved by:
Roubik R. Golanian, P.E., City Manager

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RECOMMENDATION

It is respectfully recommended that the City Council authorize the Deputy Director of Finance - Purchasing, to issue a purchase order with Oracle America, Inc. to purchase annual maintenance, support, updates, and licensing for a total cost not to exceed $225,000 for the first year and thereafter for the life of the software.

BACKGROUND/ANALYSIS

In 1992, the City acquired services with Oracle America, Inc. (Oracle) to support the City's Oracle database environment. The applications that have relied on the Oracle databases include the PeopleSoft Human Resources and Financial systems, City Services Interface (CSI) License and Permitting System, Geographic Information Systems (GIS), and GWP's Itron Smart Meter System for the electric meters. Since 2015, ISD has migrated away from Oracle and adopted Microsoft SQL as the new database standard that has proven to be more cost effective. For example, the legacy HR/Payroll and Financial systems were replaced with Tyler Munis in 2016 and 2019 respectively, which runs on Microsoft SQL. In addition, the GIS databases were all migrated to Microsoft SQL in 2018.

The remaining systems running on the Oracle database environments are CSI, which is scheduled to be replaced with Tyler Energov in Spring of 2022, and GWP's Itron system. Once the CSI system is replaced, the remaining cost for support will be reduced to $46,000 annually which is needed to maintain the Itron environment. Therefore, continuing the Oracle maintenance is necessary in order to make sure the remaining systems are supported and receive critical security updates and patches.

FISCAL IMPACT

The estimated cost of $225,000 for the initial year of annual software maintenance, support, updates, and licensing has been budgeted in the FY 21-22 Applications Fund Budget, Contractual Services Account 43110-6040-ISD-5502-P0000-T0000-0000-0000. It is anticipated this cost will drop to approximately $46,000 per year starting in FY 22-23 as most of the systems will be migrated to Microsoft SQL. The funds for continued maintenance, support, updates, and licensing of the software for the life cycle of the product will be annually budgeted within the ISD Applications Fund and approved by the City Council as part of the annual citywide budget process.

ALTERNATIVES

Alternative 1: City Council may choose to approve the motion authorizing the Deputy Director of Finance – Purchasing, to issue a purchase order with Oracle to purchase annual maintenance, support, updates, and licensing for the first year and thereafter for the life of the software.

Alternative 2: City Council may choose not to authorize the requested action, in which case the City will not receive critical maintenance, support, updates, and licensing. This is not recommended by staff as the Oracle Database would be unsupported and we may not be able to restore the CSI and Itron database systems. Lack of vendor support would disrupt the CSI and Itron systems and impact services provided to our residents.

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Alternative 3: Council may consider any other alternative not currently proposed by staff.

CAMPAIGN DISCLOSURE

In accordance with the City Campaign Finance Ordinance No. 5744, the following are the names and business addresses of the members of the board of directors, the chairperson, CEO, COO, CFO, Subcontractors, and any person or entity with more than 10% interest in the company proposed for contract in this Agenda Item Report:

Offices of Oracle America, Inc.:

Full Name	Title	Business Address	City	State	Zip
Safra Catz	Director / Chief Executive Officer	500 Oracle Parkway	Redwood Shores	CA	94065
Dorian Daley	Director / Executive Vice President / General Counsel	500 Oracle Parkway	Redwood Shores	CA	94065
Lawrence Ellison	Chief Technology Officer	500 Oracle Parkway	Redwood Shores	CA	94065
Douglas Kehring	Executive Vice President	500 Oracle Parkway	Redwood Shores	CA	94065
William Corey West	Executive Vice President / Chief Accounting Officer	500 Oracle Parkway	Redwood Shores	CA	94065
Gregory Hilbrich	Senior Vice President, Taxation / Treasurer	500 Oracle Parkway	Redwood Shores	CA	94065
Brian S. Higgins	Vice President / Secretary	500 Oracle Parkway	Redwood Shores	CA	94065
Sangita Mata	Assistant Treasurer	500 Oracle Parkway	Redwood Shores	CA	94065
Lisa Hickman-Lott	Vice President, Tax	500 Oracle Parkway	Redwood Shores	CA	94065
Clayton Reeves	Vice President, Tax	500 Oracle Parkway	Redwood Shores	CA	94065
Jacklyn Park	Assistant Secretary	500 Oracle Parkway	Redwood Shores	CA	94065

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Kimberly Woolley	Assistant Secretary	500 Oracle Parkway	Redwood Shores	CA	94065

EXHIBITS

None.