



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
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Consent
July 21, 2009

**Honorable Mayor and
Members of the City Council**

Title: Supplemental Agreement: Annual Oracle Software Maintenance for electronic Citywide Accounting and Personnel System (eCAPS) for FY 2009/10

Location/Council District: Citywide

Recommendation: Adopt a **Resolution** authorizing the City Manager to execute Supplemental Agreement No. 6 to City Agreement No. 2006-1178 with Oracle, Inc., for the renewal of technical support services and software maintenance for the eCAPS system in an amount not to exceed \$568,000 for FY 2009/10.

Contact: Ignacio Estevez, Program Manager, 808-7349
Steve Sneed, Interim Information Technology Manager, 808-7987

Presenters: Not applicable

Department: Information Technology

Division: Administration

Organization Dept ID: 07001011

Description/Analysis

Issue: On October 24, 2006, City Council adopted Resolution 2006-785 authorizing an agreement with Oracle, Inc. for the purchase of software licenses and technical support services from Oracle, Inc., for an Enterprise Resources Planning (ERP) system. The third year of support services from Oracle is due to expire in November 2009.

Staff requests that the City Council adopt the attached resolution, authorizing the City Manager to execute Services Agreements with Oracle, Inc., for the purchase of software maintenance and technical support services for Fiscal Year 2009/10, for an amount not to exceed \$568,000.

Policy Considerations: This recommendation is in accordance with the FY-2009/10 Approved Budget Document's Strategic Planning Process. In particular, this recommendation is consistent with the Sustainable Budget Concept that

includes the following areas:

- Continuous evaluation for efficiencies and effectiveness
- Identify return on investment and impacts; fiscal and social benefits

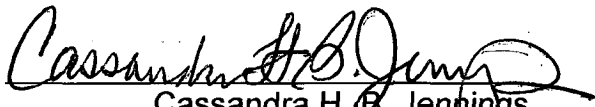
Environmental Considerations: The report concerns administrative activities that will not have a significant effect on the environment, and does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) [CEQA Guidelines Sections 15061(b)(3);15378(b)(2)].

Rationale for Recommendation: Annual software maintenance and technical support services is an ongoing requirement for technology applications.

Financial Considerations: No additional funding is requested. Funding for the technical support services and software maintenance is available in Information Technology and General Services Departments operating budgets.

Emerging Small Business Development (ESBD): Oracle is not a City certified ESB/SBE firm.

Respectfully Submitted by: Ignacio Estevez, Program Manager

Approved by: 
Cassandra H. B. Jennings
Assistant City Manager / Interim CIO

Recommendation Approved:


Ray Kerridge
City Manager

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Attachment 1**Background**

On October 24, 2006, City Council Adopted Resolution 2006-785 that authorized the City Manager to execute a software license and services agreement with Oracle, Inc. for the purchase of licenses, project team training, and technical support services for an ERP system for one year, for an amount not to exceed \$2,400,000.

On September 25, 2007, City Council Adopted Resolution 2007-699 authorizing the City Manager to renew the software maintenance and technical support services with Oracle for the second year of support for the City's eCAPS system.

On June 24, 2008, City Council Adopted Resolution 2008-435 authorizing the City Manager to renew the software maintenance and technical support services with Oracle for the third year of support for the City's eCAPS system.

Software maintenance and technical support services is a standard on-going requirement for IT applications and must be continued indefinitely for the life of the application. The Oracle software maintenance and technical support services estimated cost for the eCAPS system will not exceed \$568,000 for the fourth year of support.

Other Staff considerations and justifications to support this request:

Staff/Engineers Estimate	The typical Oracle license maintenance cost ranges from 20-30 percent of the license costs. The City's annual software maintenance is not to exceed \$565,000 which is approximately 22 percent of the Oracle license cost.
Evaluation of Multi-Year Proposals	City Council adopted Resolution No. 2006-785 that authorized the City Manager to execute software license and services agreement with Oracle, Inc. for the eCAPS project. As part of the Oracle license agreement, technical support/maintenance services for the initial first year was included, with an option to renew technical support services annually.
List of other vendors/contractors bidding	N/A

Attachment 2

RESOLUTION NO. 2009-

Adopted by the Sacramento City Council

**ANNUAL ORACLE SOFTWARE MAINTENANCE FOR ELECTRONIC CITYWIDE
ACCOUNTING AND PERSONNEL SYSTEM (ECAPS)**

BACKGROUND

- A. On October 24, 2006, City Council Adopted Resolution No. 2006-785 that authorized the City Manager to execute a software license and services agreement with Oracle, Inc. for the purchase of licenses, project team training, and technical support services for an Enterprise Resources Planning (ERP) system for one year, for a total amount not to exceed \$2,400,000.
- B. On September 25, 2007, City Council Adopted Resolution 2007-699 authorizing the City Manager to renew the software maintenance and technical support services with Oracle for the second year of support for the City's ERP system.
- C. On June 24, 2008, City Council Adopted Resolution 2008-435 authorizing the City Manager to renew the software maintenance and technical support services with Oracle for the third year of support for the City's ERP system.
- D. Software maintenance and technical support services is a standard on-going requirement for the ERP system applications and needs to be continued for the life of the application.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

- Section 1. The City Manager is authorized to execute Supplemental Agreement No. 6 to City Agreement No. 2006-1178 with Oracle, Inc. for the renewal of technical support services and software maintenance for the eCAPS system in an amount not to exceed \$568,000 for Fiscal Year 2009/10.