



# REPORT TO COUNCIL

## City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
www.CityofSacramento.org

Consent  
**September 25, 2007**

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

**Title: Agreement: Procurement of Annual Software Maintenance for eCAPS  
(electronic Citywide Accounting and Personnel System)**

**Location/Council District: Citywide**

**Recommendation:** Adopt a **Resolution** authorizing the City Manager to execute Supplemental Agreement No. 1 to City Agreement No. 2006-1178 with Oracle, Inc., for the renewal of technical support services and software maintenance for the eCAPS Project to support an Enterprise Resources Planning (ERP) system for one year, for an amount not to exceed \$385,000.

**Contact:** Jim Boyle, Supervising IT Project Manager, 808-5005  
Stephen R. Ferguson, Chief Information Officer, 808-8600

**Presenters:** Not applicable

**Department:** Information Technology

**Division:** Administration

**Organization No:** 1311

### **Description/Analysis**

**Issue:** On October 24, 2006, City Council adopted Resolution 2006-785 authorizing and agreement with Oracle, Inc. for the purchase of software licenses and technical support services from Oracle, Inc., for an ERP system for one year. The first year of support services from Oracle is due to expire in November, 2007.

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 the second year, for an amount not to exceed \$385,000.

**Policy Considerations:** This recommendation is in accordance with the FY-2007/08 Proposed Budget Document's Strategic Planning Process. In particular, this recommendation is consistent with the Sustainable Budget Concept that includes the following areas:

- Use one-time resources strategically
- 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 ERP Project requirement for IT applications. This is not a change order to the original contract.

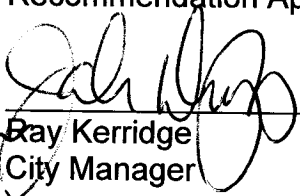
**Financial Considerations:** No additional funding is requested. Funding for the technical support services and software maintenance is available in the eCAPS Project budget and General Services Department operating budget.

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

Respectfully Submitted by: Jim Boyle, Supervising IT Project Manager

Approved by:   
Stephen R. Ferguson  
Chief Information Officer

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. The first year of software maintenance ends in November, 2007.

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 cost for year two of the eCAPS project for the implementation of an ERP system will not exceed \$385,000.

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 for FY-07/08 is not to exceed \$385,000 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.**

**Adopted by the Sacramento City Council**

**ORACLE TECHNICAL SUPPORT SERVICES AND SOFTWARE MAINTENANCE FOR AN ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM**

**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 ERP system for one year, for a total amount not to exceed \$2,400,000. The first year of technical support services and software maintenance for the Oracle software licenses for the ERP system ends in November, 2007.
- B. 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. 1 to City Agreement No. 2006-1178 with Oracle, Inc. for an amount not to exceed \$385,000.