

Mayor and Council Communication

DATE: 05/14/24

M&C FILE NUMBER: M&C 24-0422

LOG NAME: 60ORACLE M&C INFORMATION

SUBJECT

(ALL) Authorize Execution of a Cooperative Agreement with Oracle America, Inc., for the Oracle RightNow Licensing, Maintenance & Support Services, Learning Subscription, and Professional Services for Oracle Cloud Services for the Water Department, in an Amount Not to Exceed \$239,000.00 Annually

RECOMMENDATION:

It is recommended that the City Council authorize execution of a cooperative agreement with Oracle America, Inc., for the Oracle RightNow licensing, maintenance & support services, learning subscription, and professional services for Oracle Cloud Services for the Water Department, in an amount not to exceed \$239,000.00 annually.

DISCUSSION:

The Water Utility has utilized Oracle America, Inc. (Oracle) products since March of 2004. Oracle provides the PeopleSoft Customer Relationship Management System (CRM) software. CRM provides the case management tool for more than half a million customer contacts the Water Utility handles on a yearly basis. This software is integrated with Maximo, the Work Order Management System for the Utility, to provide a seamless movement of information for critical customer cases.

In 2011, the Water Department renewed the Agreement with Oracle for an additional four years. In 2015, the Water Department upgraded the current CRM software to Oracle RightNow, hosted as part of Oracle Cloud Services, which offer additional customer friendly features such as the ability to email or chat online with Water customers, from within the CRM. The current agreement with Oracle (CSC No. 52557) expires on May 25, 2024 without any additional renewals. Therefore, staff is requesting authorization to execute a new agreement with Oracle for the above described services and products currently utilized by the City. The new agreement will be through the Department of Information Resources cooperative program.

PRICE ANALYSIS - The prices were obtained using Department of Information Resources (DIR) Contract No. DIR-TSO-4158. The DIR contract offers fixed discounts for these services. Staff has reviewed the pricing and determined it to be fair and reasonable.

COOPERATIVE PURCHASE - State law provides that a local government purchasing an item under a Cooperative Purchasing Agreement satisfies any state law requiring that the local government seek competitive bids for the purchase of the item. DIR contracts were competitively bid to increase and simplify the purchasing power of government entities.

SUCCESSOR CONTRACTS - To facilitate planning and budgeting, Staff would prefer to have annual Agreements that align with the Fiscal Year. However, the DIR Agreement is out of alignment with the City's Fiscal Year and the current term DIR-TSO-4158 will expire on July 30, 2024. In order for the Agreement to align with the City's Fiscal Year, adoption of this Mayor and Council Communication (M&C) technically authorizes (i) a series of Purchase Agreements, each of which will align to a term of the DIR, Agreements to ensure legal authority exists for the contract, and (ii) an annual spend amount, future years of which would be subject to City Council appropriation. In the event that a Cooperative Agreement is not renewed, Staff would cease purchasing at the end of the last Purchase Agreement coinciding with the valid Cooperative Agreements. If the City Council were to not appropriate funds for a future year, Staff would stop making purchases when the last appropriation expires, regardless of whether the then-current Purchase Agreement has expired. The City will initially use DIR-TSO-4158 to make purchases authorized by this M&C. As noted, DIR-TSO-4158 expires July 30, 2024. If DIR-TSO-4158 is extended this M&C authorizes the City to purchase similar equipment and supplies under the extended contracts. If DIR-TSO-4158 is not extended but DIR executes new cooperative contracts with Oracle America, Inc. with substantially similar terms as DIR-TSO-4158, this M&C authorizes the City to purchase the licensing and program support fees, professional services, and learning subscription under the new DIR contract.

Funding is budgeted in the Other Contractual Services account within the Water & Sewer Fund .

ADMINISTRATIVE CHANGE ORDER - An administrative change order or increase may be made by the City Manager in the amount up to maximum allowed under state law and the City Code and does not require specific City Council approval as long as sufficient funds have been appropriated.

M/WBE OFFICE - A waiver of the goal for MBE/SBE subcontracting will not be required due to this agreement being a Cooperative Purchasing Agreement. This satisfies the local government requirements.

AGREEMENT TERMS - Upon City Council approval, this Agreement shall be effective beginning May 26, 2024 and end on May 25, 2025.

RENEWAL OPTIONS - This Agreement may be renewed for four additional one-year terms at the City's option in accordance with the terms of the DIR contract. This action does not require specific City Council approval provided that the City Council has appropriated sufficient funds to satisfy the City's obligations during the renewal term.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the recommendation, funds are available in the current operating budget, as previously appropriated, in the Water & Sewer Fund. Prior to an expenditure being incurred, the Water Department has the responsibility to validate the availability of funds.

Submitted for City Manager's Office by: Fernando Costa 6122

Originating Business Unit Head: Chris Harder 5020

Additional Information Contact: Charmaine Baylor 6629