

Mayor and Council Communication

DATE: 12/15/20

M&C FILE NUMBER: M&C 20-0936

LOG NAME: 13PCOOP AMEND ORACLE RIGHTNOW WATER IT SC

SUBJECT

(ALL) Authorize Execution of an Amendment to City Secretary Contract No. 52557 with Oracle America, Inc., to Increase the Annual Amount by \$83,087.43 for a New Annual Amount of \$228,087.43 for the Purpose of Providing the Water Department with Oracle RightNow Licensing and Program Support Fees for Oracle Cloud Services

RECOMMENDATION:

It is recommended that City Council authorize the execution of an amendment to City Secretary Contract No. 52557 with Oracle America, Inc. to increase the annual amount by \$83,087.43 for a new annual amount of \$228,087.43 for the purpose of providing the Water Department with Oracle RightNow licensing and program support fees for Oracle Cloud services.

DISCUSSION:

The current agreement with Oracle RightNow, authorized by Mayor and Council (M&C) C-29176, is for an annual amount of \$145,000.00 and was executed on July 22, 2019 using Department of Information Resources Contract No. DIR-TSO 4158. The agreement provides the Water customer call center with the Customer Relationship Management system (CRM). This software allows for case management, integration with Maximo (the work order management system used by the Water Department) and with Sungard/Superion/Central Square (the utility billing system used for the Water Department) for the seamless movement of information for critical customer cases. It also provides the ability to email Water customers, allows for agent scripting for more thorough information gathering, and integrates with the Avaya phone system. The Oracle CRM is hosted by Oracle Cloud Services. City Secretary Agreement 52557 will be amended to increase the spending authority by \$83,087.43 for a new annual amount of \$228,087.43, in order to update existing functionality, exchange data between Water Department systems, and make the CRM application more efficient. Due to patents and copyrights, Oracle is the documented sole-source vendor for these services.

PRICE ANALYSIS - The prices were obtained using Department of Information Resource (DIR) Contract No. DIR-TSO-4158. The DIR contract offers fixed discounts for these services. Water Information Technology 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.

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

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) 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 equipment and supplies under the new DIR contract.

A Form 1295 is not required because: This contract will be with a publicly-traded business entity or a wholly-owned subsidiary of a publicly-traded business entity: Oracle America. Inc.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are available in the current operating budget, as previously appropriated, in the Water & Sewer Fund to support the approval of the above recommendation and authorization of the amendment to the contract. Prior to any expenditure being incurred, the Water Department has the responsibility to validate the availability of funds.

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