

Mayor and Council Communication

DATE: 08/23/22

M&C FILE NUMBER: M&C 22-0611

LOG NAME: 13P ORACLE SOFTWARE SERVICES ITS ADK

SUBJECT

(ALL) Authorize a Purchase Agreement with Oracle America, Inc., in an Annual Amount Up to \$1,005,000.00, Using the Texas Department of Information Resources Cooperative Contract DIR-TSO-4158 for Annual Licensing, Maintenance and Support for Oracle Software and Services and Authorize Four One-Year Renewals with a Three to Five Percent Increase Per Year for All City Departments

RECOMMENDATION:

Authorize a purchase agreement with Oracle America, Inc., in an annual amount Up to \$1,005,000.00, using the Texas Department of Information Resources (DIR) Cooperative Contract DIR-TSO-4158 for annual licensing, maintenance and support for Oracle Software and Services and authorize four one-year renewals with a three to five percent increase per year for all City departments.

DISCUSSION:

The Information Technology Solutions (ITS) Department will use this purchase agreement to purchase and renew all Oracle licensing, support, and maintenance for use by all City departments.

Authorization of this Mayor and Council Communication (M&C) will allow for the continuation of maintenance and technical support for the Oracle products used throughout the City. The Enterprise Resource Planning (ERP) system supporting financial, purchasing, and human resource operations is Oracle PeopleSoft. The Police Department uses Oracle for Police databases. The Transportation and Public Works Department uses Oracle software to support project management.

COOPERATIVE PURCHASE: State law provides that a local government purchasing an item under a cooperative purchasing agreement satisfies State laws requiring that the local government seek competitive bids for purchase of the item. Cooperative contract have been competitively bid to increase and simplify the purchasing power of local government entities across the State of Texas.

SUCCESSOR CONTRACTS: In the event the Department of Information Resources (DIR) agreement is not renewed, staff would cease purchasing at the end of the last purchase agreement coinciding with a valid DIR agreement. 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 the DIR contract to make purchases authorized by this M&C. The Cooperative Contract is set to expire on July 30, 2024. If DIR-TSO-4158 is extended, this M&C authorizes the City to purchase similar equipment and supplies under the extended contract. If DIR-TSO-4158 is not extended but DIR executes a new cooperative contract with Oracle America, Inc. and with substantially similar terms, this M&C authorizes the City to purchase the services under the new DIR contract. If this occurs, in no event with the City continue to purchase services under the new agreement for more than three (3) years without seeking Council approval.

BUSINESS EQUITY: A goal is not assigned when purchasing from an approved purchasing cooperative or public entity.

AGREEMENT TERM: Upon City Council approval, the Agreement will become effective and expire July 30, 2024 in accordance with the DIR contract. The agreement may be renewed on an annual basis thereafter.

Funding is budgeted in the Other Contractual Services account of the ITS Department's rollup within the General Fund.

RENEWAL OPTIONS: This agreement may be renewed for up to four one-year renewal terms with a three to five percent increase each year at the City's option. 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 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 General Fund to support the approval of the above recommendation and award of the agreement. Prior to any expenditure being incurred, the ITS Department has the responsibility to validate the availability of funds.

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