



**Interoffice Memorandum**

May 1, 2023

To: Mayor Jerry L. Demings  
-AND-  
County Commissioners

**FROM:** Carrie Mathes, CFCM, NIGP-CPP, CPPO, C.P.M., Procurement  
Manager II, Procurement Division

**CONTACT:** Rafael Mena, Chief Information Officer, Information Systems and  
Services Division  
407-836-5200

**SUBJECT:** Approval of Amendment No. 1, Contract Y22-1040, Software Support  
and Annual Maintenance for Oracle Applications and Databases

**ACTION REQUESTED:**

Approval of Amendment No. 1, Contract Y22-1040, Software Support and Annual  
Maintenance for Oracle Applications and Databases, with Oracle America, Inc., in  
the amount of \$202,279.65, for a revised total contract amount of \$1,733,743.93 for  
the second-year term.

**PROCUREMENT:**

This amendment will renew the support and annual maintenance for the period of  
June 1, 2023 through May 31, 2024.

**FUNDING:**

Funding is available in account numbers 0001-031-0506-3192, 4420-0238-1301-  
3192, and 4420-038-1308-3192.

**APPROVALS:**

The Information Systems and Services Division concurs with this recommendation.

**REMARKS:**

On May 10, 2022, the Board authorized award of Contract Y22-1040 to Oracle  
America, Inc., in the total contract award amount of \$1,531,464.28. This amendment  
is for the first one-year renewal of the annual support and maintenance of Oracle  
database products that hold the data for County-wide and departmental  
applications, including Oracle's Peoplesoft Human Capital Management and  
Oracle's PeopleSoft Enterprise Revenue Management applications.

Oracle databases support critical applications including Oracle's PeopleSoft Human  
Capital Management and Oracle's PeopleSoft Enterprise Revenue Management  
applications.

Oracle America, Inc. is the sole company authorized to support and maintain their products. Resellers under the General Services Administration (GSA) contracts can sell maintenance and support but will charge 2-3% markup per line item.

Oracle provides licensing and support for multiple applications and databases being used throughout the County. These databases and applications are critical to the County's operation as they maintain data and provide services to internal employees as well as the citizens of Orange County. Some of the applications include Human Resources, Utilities Billing, Financial Systems, Kronos Time and Attendance, Growth Management, Geographical Information's Systems, Corrections Inmate Management Systems, Public Safety, and Professional Standards. Oracle America, Inc. is the only company authorized to support and maintain Oracle products.

Having no increase in the cost annually for this Oracle product is atypical and increases for software renewals for other comparable products we renew increase between 5-10% annually.

The Information Systems and Services Division performed a competitive negotiation with Oracle America, Inc. to address the simplification of multiple contracts, control long term costs inclusive of annual inflationary adjustment rates that are standard to the industry. The services were negotiated as a one-year initial term with the option to renew for four additional one-year terms.

Price reasonableness has also been determined based on market research. Procuring support and maintenance through authorized resellers will result in an additional markup of at least \$10,000 to the support costs or the authorized resellers will not quote against the manufacturer.

Performing a 10-year cost analysis shows that assuming static pricing from the first one-year renewal on identified that the 10-year increase would be 17.9% compared to 55.1% using industry average increases during the same span. This amount is \$15,877,797.00 compared to \$18,501,388.11, yielding overall savings of \$2,623,591.11.

Staff has concluded that contracting directly with Oracle America, Inc. for this proprietary software maintenance is in the County's best interest. This approach offers the County the lowest service cost and allows for direct contract administration activities with Oracle America, Inc. without having to go through a third party.