



## Interoffice Memorandum

April 5, 2017

TO: Mayor Teresa Jacobs  
and the Board of County Commissioners

FROM: Carrie Woodell, Manager, Procurement Division

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

SUBJECT: Approval of Contract Y17-1076, Software Support and Annual  
Maintenance for Oracle Applications and Databases

### ACTION REQUESTED:

Approval of Contract Y17-1076, Software Support and Annual Maintenance for Oracle Applications and Databases, with Oracle America, Inc., in the amount of \$1,470,944.70 for the period of May 3, 2017 through May 31, 2018. Further request authorization for the Procurement Division to renew for four additional 1 – year terms.

### PROCUREMENT:

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

### FUNDING:

Funding is available in the 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.

### DISCUSSION:

This contract is for 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 America, Inc. is the sole company authorized to support and maintain its products. Although the support and maintenance is proprietary to Oracle, competition may be obtained through Oracle's authorized resellers.

The Information Systems and Services Division performed a competitive negotiation with Oracle 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 period with the option to renew for four additional 1-year periods. As a result, the County was able to negotiate a savings of \$458,000 over the five year period. Total renewal cost for the five years will be \$7,435,475 instead of the originally proposed \$7,894,043. Historically the County has been charged a 3% annual increase. However, due to the structure of the proposal, this 3% annual increase was waived.

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.

Therefore, staff has concluded that contracting directly with Oracle 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 without having to go through a third party.