

County of Santa Clara

Office of the County Executive

Procurement Department



CE12 051909

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DATE: May 19, 2009

TO: Board of Supervisors

FROM: 
Jenti Vandertuig
Director of Procurement

SUBJECT: Delegation of Authority to Amend Agreement Related to Oracle Software Licenses and Related Maintenance.

RECOMMENDED ACTION

Consider recommendations relating to Oracle software licenses and related maintenance.

Possible action:

- a. Approve delegation of authority to Director of Procurement, or designee, to amend Agreement No. 5500001192 with Oracle USA, Incorporated relating to providing Oracle software licenses and related maintenance to increase the compensation by \$4,500,000 for a total contract amount not to exceed \$7,100,000 and extend the term of the agreement to June 30, 2012 from the current expiration of June 30, 2009, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive.
- b. Approve delegation of authority to Director of Procurement, or designee, to administer, enforce, modify and terminate the amended Agreement No. 5500001192. Delegation of

authority shall expire on June 30, 2012.

FISCAL IMPLICATIONS

There is no fiscal impact on the General Fund as a result of this action. Agencies and departments will utilize funds from their approved budget for these purchases.

CONTRACT HISTORY

On November 30, 2004, the Director of Procurement awarded a three-year agreement with two one-year optional renewals to Oracle USA, inc. for the purchase of Oracle software licenses and related maintenance in an amount not to exceed \$1,154,933.96, effective December 1, 2004. Subsequent amendments were executed to extend the term of the agreement, make administrative and business process changes, and to increase the total value of the agreement. On June 24, 2008, the Board of Supervisors (Board) approved delegation of authority to the Director of Procurement, or designee, to extend the agreement period through June 30, 2009, to increase the compensation to a not to exceed amount of \$2,600,000, and to make administrative and business process changes.

REASONS FOR RECOMMENDATION

County agencies and departments utilize the agreement with Oracle USA, Inc. for their Oracle software license and related maintenance needs. The County has a continued need for the software licenses and support. An extension of the current contract is necessary for the County agencies and departments to renew the maintenance of their existing licenses, as well as accommodate additional purchases of Oracle software licenses and related maintenance.

The current agreement with Oracle USA, Inc. has a not to exceed amount of \$2,600,000. The increase in the contract value by \$4,500,000 for a total not to exceed amount of \$7,100,000 exceeds the \$2,000,000 signature authority of the Director of Procurement. Therefore delegation of authority to the Director of Procurement, or designee, is recommended.

BACKGROUND

The County maintains approximately 100 Oracle database instances in support of both enterprise and departmental business applications. These Oracle database applications include the BRASS budget system, PeopleSoft payroll and human resources, KRONOS time keeping, Paybase warrant and advice notice printing, POPS pre-trial services system, the e-Government portal, the GIS portal, and many more. It is crucial that Oracle maintenance support is in place to insure that the County's enterprise and departmental databases continued to be implemented according to standards and procedure, monitored and tuned for performance, maintained for data integrity, current with software releases, backed-up and recoverable, and secured from unauthorized access.

Oracle software licenses and related maintenance are proprietary and purchases are made directly with the manufacturer.

CONSEQUENCES OF NEGATIVE ACTION

Failure to approve the recommended action would prevent the County agencies and departments from purchasing Oracle software licenses and related maintenance resulting in necessary purchases being made on a departmental basis. The County would not realize the potential cost saving benefits of consolidating these purchases.