



*City of Arts & Innovation*

# City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JULY 28, 2015

FROM: INNOVATION AND TECHNOLOGY DEPARTMENT WARDS: ALL

SUBJECT: APPROVAL OF TECHNOLOGY PROCUREMENTS FOR FISCAL YEAR 2015/16  
TOTALING \$5,988,544, SERVICE AGREEMENT WITH ORACLE AMERICA, INC. IN  
THE AMOUNT OF \$461,996, AND SUPPORT AGREEMENT WITH MICROSOFT  
CORPORATION IN THE AMOUNT OF \$80,150

## **ISSUE:**

The issues for City Council consideration are approval of: 1) Innovation and Technology (IT) Department purchases with aggregate expenditures over \$50,000, totaling \$5,988,544; 2) a software Service Agreement with Oracle America, Inc. in the amount of \$461,996; and 3) a Premier Support Agreement with Microsoft Corporation in the amount of \$80,150.

## **RECOMMENDATION:**

That the City Council:

1. Approve the attached list of technology procurements with aggregate expenditures over \$50,000, for a total amount not to exceed \$5,988,544 for FY 2015/16 (Attachment 1);
2. Approve the Oracle Service Agreement for technical support services for FY 2015/16, in the amount of \$461,996 (Attachment 2), and authorize the City Manager or his designee to execute all necessary documents, including making minor non-substantive changes; and
3. Approve the Microsoft Premier Support Services Description Schedule for FY 2015/16, in the amount of \$80,150 (Attachment 3), pursuant to the Microsoft Master Services Agreement, and authorize the City Manager or his designee to execute all necessary documents, including making minor non-substantive changes.

## **BACKGROUND:**

The IT Department manages the majority of the City's agreements for software and hardware. Annually, IT reviews these agreements and the associated maintenance and support expenditures to ensure that the products are still in use and that the best price has been negotiated for these services. Subsequent to review, the IT Department brings forward an annual list of the agreements with aggregate expenditures over \$50,000 for City Council approval.

The IT Department has determined that it is necessary to continue procurement of the annual maintenance and support services listed on Attachment 1 for an amount not to exceed \$5,988,544

for FY 2015/16. This is 7% less than last fiscal year. The list includes \$4.5 million for annual IT outsourcing services, \$944,131 for annual maintenance and support for existing software/hardware, and a 10% contingency amount. Some of the annual payments listed are less than \$50,000 but are included because payments over the life of the agreement have exceeded \$50,000.

The listed maintenance agreements were previously approved as part of the original software/hardware acquisitions but most automatic renewals for continued maintenance and support for as long as the City pays for those services.

The IT Department also recommends approval of an Oracle Service Agreement in the amount of \$461,996 (Attachment 2) to renew technical support services for FY 2015/16. Oracle provides maintenance and support for multiple application and database systems that are deployed Citywide. Oracle requires that the City execute a new agreement annually.

The IT Department also recommends approval of a Microsoft Premier Support Services Description Schedule in the amount of \$80,150 (Attachment 3) to renew support services for FY 2015/16, pursuant to the Microsoft Master Services Agreement executed in June 2006. Microsoft also provides maintenance and support for multiple systems deployed Citywide.

Form 142-25, a "Request for Payment," outlines exemptions from competitive procurement. Here, because of the City's satisfaction with current platforms and the nature of the services being procured (i.e. software and hardware maintenance renewals), competitive procurement is not required and is in compliance with the established administrative procedure.

All other purchases made by the IT Department during the course of the fiscal year follow Citywide purchasing guidelines to ensure that the City is receiving competitive pricing options. Any agreement for services/purchases in excess of \$50,000 which is not on the attached listing was either already approved by the City Council for a fixed term or will be brought forward to the City Council for separate approval.

The Purchasing Services Manager concurs with the recommendations in this report.

### **FISCAL IMPACT:**

Sufficient funds have been included in the FY 2015/16 Innovation and Technology Department Budget to cover the identified expenditures. The majority of these expenditures are allocated to various departments through the annual cost allocation process. The current cost allocation process is complete and incorporated into the City's FY 2015/16 budget.

It should be noted that the \$4.5 million included on Attachment 1 for ACS/Xerox (IT Outsourcing) is the only exception. While the majority of this is included in the IT Department's budget, a small amount of funding (\$375,000) is anticipated to come from various departments for overtime and short-term, project-specific outsourcing services. Departments have included the necessary funding in their respective budgets for FY 2015/16.

Prepared by:	Lea Deesing, Chief Innovation Officer
Certified as to	
availability of funds:	Brent A. Mason, Finance Director/Treasurer
Approved by:	Al Zelinka, FAICP, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachments:

1. Technology Procurements for FY 2015/16
2. Oracle Service Agreement
3. Microsoft Premier Support Services Description Schedule