TO:   HONORABLE CITY COUNCIL

FROM:  CITY MANAGER                        DEPARTMENT: ADMINISTRATIVE
       SERVICES

DATE: JUNE 20, 2005   CMR: 261:05

SUBJECT: APPROVAL OF SOFTWARE SUPPORT SERVICES CONTRACT
          RENEWALS WITH ORACLE CORPORATION IN THE AMOUNT OF
          $316,185 (3 YEARS AT $105,395 PER YEAR)

RECOMMENDATION

This report recommends that Council:

1) Approve and authorize the Mayor or his designee to execute the attached software
   maintenance support agreement contract renewal with Oracle Corporation for one year
2) Authorize the City Manager or his designee to sign the contract for the above services
   and approve the renewal for the following two years provided that the vendor is
   responsive to the City’s needs and the quality of the vendor’s work is acceptable during
   the first year of the contract (and/or other conditions which will determine the City’s
   willingness to renew the contract).

DISCUSSION

This is the continuation of support services from Oracle Corporation for the Oracle database
management system and accompanying software as described in the original Oracle Enterprise
License Agreement, dated May 23, 2000. Oracle is the database standard for City applications.
Oracle is currently used with the SAP, Utilities Customer Information System, Geographic
Information System (GIS), eCLASS and others.

Support services consist of product support, including telephone technical assistance and update
subscription services providing Oracle product upgrades, maintenance releases and patches as
Oracle makes them available. The telephone assistance is in the form of a 24 hours a day, 7 days
a week support hotline available to only designated points of contact (POC) defined by the City.
Quarterly newsletters and bulletins are sent to the POCs, as well as access to Oracle’s on-line
support system and bug database system.
The pricing model presented to the City is for an annual fee of $105,395 (plus applicable taxes), paid in advance. This pricing represents a discount on products averaging approximately 60 percent.

**RESOURCE IMPACT**

The contract will be in the amount of $105,395 (plus applicable taxes) and the funds are included in the FY 2005-2006 Applications Maintenance Internal Service Fund Budget.

**ENVIRONMENTAL ASSESSMENT**

Approval of this contract amendment does not constitute a project under California Environmental Quality Act (CEQA). Therefore, no Environmental Assessment is required.

PREPARED BY:  
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DEPARTMENT HEAD REVIEW:  
CARL YEATS  
Director, Administrative Services

CITY MANAGER APPROVAL:  
EMILY HARRISON  
Assistant City Manager

**ATTACHMENTS**

Exhibit A: Oracle Support Renewal Quote