

September 19, 2023

C-15

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute all documents necessary to amend Master Purchase Agreement No. 33862 with Oracle America, Inc., of Redwood Shores, CA, for software licenses and related services, to increase the contract amount by \$200,000, for a revised annual contract amount not to exceed \$850,000, for as long as the County of Los Angeles in Software License Agreement Number MA-IS-1540029-1 is in effect; and,

Authorize the City Manager, or designee, to execute all documents necessary to enter into a Municipal Payment Plan Agreement with Oracle America, Inc., to make required payments for the purchase of new licenses that are necessary for the City's current and anticipated use of the Oracle database software. (Citywide)

DISCUSSION

City Council approval is requested to amend Master Purchase Agreement No. 33862 with Oracle America, Inc. (Oracle), to continue the provision of ongoing maintenance and support services, and the use of Oracle enterprise databases for disaster recovery efforts and enter into a Municipal Payment Plan Agreement to make payments for the purchase of new licenses necessary to support the City's current and anticipated usage of the Oracle database software.

On March 17, 2015, the City Council authorized the City Manager to execute Master Purchase Agreement No. 33862 with Oracle for software licenses and related services on the same terms and conditions afforded to the County of Los Angeles in Software License Agreement Number MA-IS-1540029-1 (County Agreement), for as long as the County Agreement is in effect, or until the City gives a 30-day notice of termination for an amount not to exceed \$500,000, annually.

On July 16, 2019, the City Council approved an amendment to Master Purchase Agreement No. 33862 with Oracle to enable the City to purchase additional software licenses and software features to enhance the performance, reliability, security and supportability of the Oracle database software used by major City systems, for an increase of the annual contract amount by \$700,000, for a revised annual contract amount not to exceed \$1,200,000 for the first year; thereafter, in an annual amount not to exceed

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\$650,000, for as long as the County of Los Angeles in Software License Agreement Number MA-IS-1540029-1 is in effect.

This year, Oracle conducted a review of the City's use of Oracle Enterprise Databases, which resulted in the need to increase our license capacity to align with the City's current and anticipated usage. These additional license purchases will result in a one-time license purchase cost and ongoing license fees and support costs. By entering into a Municipal Payment Plan Agreement with Oracle, the City will pay three equal payments over three years with no interest for the one-time license purchase cost.

Through the review process, the need to include additional license capacity for disaster recovery use was also identified and is included in the request to increase contract authority. City Council approval is requested to fund the one-time license purchase cost for the use of Oracle Enterprise Database licensing in support of the City's enterprise applications, to allow for the use of Oracle Enterprise Database for disaster recovery purposes, and for ongoing support and maintenance costs.

This matter was reviewed by Deputy City Attorney Erin Weesner-McKinley on August 30, 2023, Purchasing Agent Michelle Wilson on August 25, 2023, and by Budget Analysis Officer Greg Sorensen on August 29, 2023.

TIMING CONSIDERATIONS

City Council action to amend Master Purchase Agreement No. 33862 is requested on September 19, 2023, to ensure continued compliance with software licensing requirements.

FISCAL IMPACT

The total annual amount of the contract will not exceed \$850,000, for as long as the County of Los Angeles in Software License Agreement Number MA-IS-1540029-1 is in effect. The requested action increases the annual contract authority with Oracle America, Inc., by \$200,000 in the General Services Fund Group in the Technology and Innovation Department. The additional costs for these services will come from operating savings within the existing budget or funds available, if necessary. If operating savings cannot be identified, an appropriation increase will be requested as part of a future Budget Adjustment approval request to cover the one-time costs and the costs of the additional software licenses and ongoing support for Fiscal Years 2023 and 2024. Structural funding for ongoing additional licensing costs in future years will be requested through the budget process for FY 25 and beyond. Costs will be recovered from client departments and budgeted through the annual Technology and Innovation Department Memorandum of Understanding (MOU). The Municipal Payment Plan Agreement will allow the City to pay a one-time cost of \$346,400, for additional licenses over three years, in equal installments of \$115,467, with no interest. The support cost of these additional licenses in the first year is \$76,208.

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This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LEA D. ERIKSEN
DIRECTOR
TECHNOLOGY AND INNOVATION

APPROVED:



THOMAS B. MODICA
CITY MANAGER