



Legislation Text

File #: 15-0206, **Version:** 1

Recommendation to adopt resolution authorizing City Manager to execute a Master Purchase Agreement with Oracle America, Inc., 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 30 days notice of termination for an amount not to exceed \$500,000 per year; and authorize City Manager to execute all documents necessary to enter into the contract, including any necessary amendments thereto. (Citywide)

City Council approval is requested to enter into a Master Purchase Agreement with Oracle America, Inc., for the purchase of software licenses and technical support services. The Technology and Innovation Department (TI) is responsible for the acquisition and maintenance of software licenses required to operate the computer systems used by City departments. Oracle software is one of the City's standards for computer database systems and it is proprietary to Oracle. Examples of computer systems using Oracle database software include the Infor Land Management System, Customer Information System, Worker's Compensation, Occupational Health Management and Fleet Management.

Oracle has the unique expertise and capabilities to support Oracle program licenses. Oracle creates the proprietary program updates that may be provided as part of Oracle's technical support services. As the sole source of technical support services (including the proprietary program updates created by Oracle), Oracle offers the services to Oracle customers for purchase on an annual basis either directly from Oracle or, on limited occasion, indirectly from an Oracle authorized reseller of the services.

On May 29, 2001, the City Council authorized the purchase of an Oracle site license, providing for 1,000 users of Oracle database systems. The site license required the City to purchase additional individual licenses if the number of users exceeded the limit of 1,000. On May 24, 2005, the City Council authorized the execution of a Master Purchase Agreement and all related documents for the purchase of Oracle software licenses utilizing the County of Los Angeles Software License Agreement No. 41974/OLSA-1017086-15-APR2003. This County Agreement has expired, and was replaced by a new Agreement Number MA-IS-1540029-1. City staff recommends using the new County Agreement for the purchase of computer software licenses and related services to take advantage of the lowest possible price available under the agreement.

City Charter Section 1802 provides an alternative procurement method that allows the City to purchase or otherwise obtain services, supplies, materials, equipment, and labor with other governmental agencies by purchasing under their contracts on a voluntary and selective

basis when authorized by a Resolution of the City Council. The City's participation may be terminated at any time with 30 days prior written notice.

Since Oracle was the only provider of these proprietary software and support services, a competitive bidding process was not conducted by the County of Los Angeles (County); however, the County negotiated directly with Oracle over the course of seven months to obtain the lowest price possible for their services. Due to the significant number of licenses that the County buys from Oracle, they had much more leverage in the negotiation process than the City of Long Beach would have negotiating on its own behalf. We have been assured by our sales representative that the costs under the County of Los Angeles contract are the lowest costs available for these proprietary services.

This matter was reviewed by Deputy City Attorney Kendra Carney on February 27, 2015 and by Budget Management Officer Victoria Bell on February 13, 2015.

City Council action on this matter is requested on March 17, 2015 to ensure continued compliance with software licensing requirements.

Contract costs will not exceed \$500,000 per year. Sufficient funding has been budgeted in the General Services Fund (IS 385) and in the Technology and Innovation Department (TI) to support this activity. Costs will be recovered from client departments and budgeted through the annual Technology and Innovation Department MOU. There is no local job impact associated with this recommendation.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO PURCHASE COMPUTER SOFTWARE LICENSES AND RELATED SERVICES THROUGH THE AGREEMENT BETWEEN THE COUNTY OF LOS ANGELES AND ORACLE AMERICA, INC.

CHRIS WILDING
INTERIM DIRECTOR OF TECHNOLOGY AND INNOVATION

APPROVED:

PATRICK H. WEST
CITY MANAGER