

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

438



**FROM:** Riverside County Information Technology (RCIT)

**SUBMITTAL DATE:**  
August 27, 2014

**SUBJECT:** Ratify and approve the purchase order for one year of hardware and software support and maintenance for existing contracts to Oracle without seeking competitive bids, All Districts [\$1,662,816] (RCIT and Departmental Budgets)

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Ratify and approve the blanket purchase order to Oracle in the amount of \$1,662,816 without seeking competitive bids for all current Oracle license renewal support and maintenance costs for a one year period; and
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, to sign the purchase order.

**BACKGROUND:**

**Summary**

Within county departments there are various Oracle software license agreements that are proprietary and can only be obtained directly through Oracle or through an authorized reseller (LAR). A current review of reseller costs by County Purchasing and RCIT has identified that procuring support through resellers would result in a higher overall cost to the county than if purchased directly from Oracle.

(continued on page 2)

*[Signature]*  
Christopher M. Hans  
Interim Chief Information Officer

Purchasing: *[Signature]* Mark Seiler, Assistant Director, Department of Information Technology  
*[Signature]* Bobbie Schuch

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 1,662,816	\$ 0	\$ 1,662,816	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	
<b>SOURCE OF FUNDS:</b> RCIT and Departmental Budgets				<b>Budget Adjustment:</b> No	
				<b>For Fiscal Year:</b> 14/15	

**C.E.O. RECOMMENDATION:**

APPROVE

BY: *[Signature]*  
Jennifer L. Sargent

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

- A-30
- Positions Added
- 4/5 Vote
- Change Order

Prev. Agn. Ref.:

District: All

Agenda Number:

3-86

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**  
**FORM 11:** Ratify and approve the purchase order for one year of hardware and software support and maintenance for existing contracts to Oracle without seeking competitive bids [\$1,662,816 annually] (RCIT and Departmental Budgets)

**DATE: August 27, 2014**

**PAGE: 2 of 3**

**BACKGROUND:**

**Summary (continued)**

The requested approval of the blanket purchase order will cover licenses identified within this document for existing license support and maintenance for the 2014/15 fiscal year.

RCIT is in the process of consolidating contracts and agreements from all county agencies as well as modifying contract dates to attain coterminous renewals in order to maximize cost savings and reduce staff time on annual renewal activities. RCIT sought competitive bids for the best pricing, and the results of the bids verified at this time show that securing ongoing support through Oracle will be more cost effective than working through Oracle resellers who add a mark-up to costs.

Ratification is requested as it took several months to identify and consolidate existing support contracts throughout the county, to release bids in an attempt to generate competition, and to negotiate terms with Oracle when no complete responses were received.

**Impact on Residents and Businesses**

Oracle licenses currently support key business components for Riverside County daily activity and production. The main licenses are for the People Soft system for Financials and HR applications. Without these licenses and support, the county would be unable to pay its employees or contractors, manage assets, input receivables, and track inventory. These applications are the backbone of the county's daily processes.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

County departments will be billed for their corresponding license support and maintenance.

**Contract History and Price Reasonableness**

In an attempt to generate competition between Oracle resellers for the county's existing licenses which require annual renewal of support and maintenance, Purchasing issued two formal Requests for Quotes (RFQ) and multiple informal RFQ's pertaining to individual departmental support renewal needs. The county did not receive responses to all RFQ's issued for all contracts currently requiring support renewal. In an effort to streamline the procurement process and save time and money by lessening the repetitive workload for multiple departments, Oracle was contacted directly and asked to provide comprehensive pricing for all existing county license contracts requiring support renewal. Oracle has agreed to provide support and maintenance of all existing licenses at the costs noted below and making the contracts coterminous to allow for one blanket purchase order. Negotiations with Oracle have resulted in a 3% annual increase instead of the standard 7% for annual support and maintenance. This negotiation resulted in a cost avoidance of \$64,575.

Dept.	Contract ID	Description	Annual Cost
RCIT	2222352	PeopleSoft Enterprise Contracts - Reported Budget Perpetual	\$141,323.42
RCIT	SUN-US1058602-1	Sun Expert Library Manager ExLM - Perpetual	\$1,270.51
RCIT	P-99-649-00-000--27	PeopleSoft Enterprise Inventory, Purchasing, Time and Labor, General Ledger, Billing, Benefits, Accounts Payable, Asset Management, Accounts Receivable, Human Resources, Payroll, Project Costing - Reported Budget Perpetual and PeopleSoft Enterprise Payroll, Human Resources, Benefits Administration, Time and Labor - Employee Count Perpetual	\$650,946.77
RCIT	2374483	PeopleSoft UPK Eprofile, Developer, Human Resources, Benefits Administration, Epay, Time and Labor, Payroll, Named Users, Ebenefits - Employee Count Perpetual	\$44,056.94

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**FORM 11:** Ratify and approve the purchase order for one year of hardware and software support and maintenance for existing contracts to Oracle without seeking competitive bids [\$1,662,816 annually] (RCIT and Departmental Budgets)

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**PAGE: 3 of 3**

RCIT	2243865	Peoplesoft Enterprise Talent Acquisition Manager - Employee Count Perpetual	\$61,792.42
RCIT	P-99-649-05-000--10	PeopleSoft Enterprise Erecruit, Ebenefits, Epay, Edevelopment, Ecompensation, Eprofile - Employee Count Perpetual	\$102,496.87
RCIT	2018568	Oracle Database Enterprise Edition Diagnostic Pack, Tuning Pack, Partitioning, Real Application Clusters, Configuration Management - Processor Perpetual and Real Application Named User Plus Perpetual	\$291,978.00
RCIT	P-04-11206-000--15	PeopleSoft Enterprise UPK Planning & Budgeting, Receivables, Payables, Asset Management, Project Costing, Purchasing, Reporting Tools, Fundamentals, Inventory, Grants Management, General Ledger, Billing, Developer, Contracts	\$73,314.86
DPSS	1650782	Database Enterprise Edition	\$86,098.26
RCIT	5567704	Data Masking	\$28,979.52
Flood Control	1650786	Database Enterprise Edition, Tuning Pack, Diagnostic Pack, Spatial & Graph - Processor Perpetual	\$29,606.99
RCIT	P-02-06036-000--4	Micro Focus Serv Expr 2.X Upgrade	\$10,995.68
Waste Mgmt.	245140	Oracle 8i Standard Edition Concurrent Device	\$7,147.82
Waste Mgmt.	2359431	Oracle Database Enterprise Named User Plus - Perpetual	\$3,781.46
RCIT	6025719	User Productivity Kit (UPK) Professional	\$6,170.62
RCRMC	3883223	Database Standard Edition One – 1-Click Ordering Program	\$964.51
RCIT	5091376	Advanced Compression and Real App Clusters	\$41,855.80
RCIT	3578866	Standard Edition One – Processor Perpetual	\$6,170.62
RCIT	5926135	Advanced Security Software Encryption	\$34,624.60
RCIT	5460264	Standard Edition One – Processor Perpetual (Telesoft)	\$3,764.65
TLMA	5950675	Primavera P6 Professional	\$688.57
FLEET	2167702	Database Standard Edition – Named User Plus Perpetual	\$940.58
ASSESSOR	2221185	Database Standard Edition – Named User Plus Perpetual	\$18,626.68
ASSESSOR	2554882	Database Standard Edition – Processor Perpetual	\$15,219.83

**Total Annual Support Cost: \$1,662,815.98**



**CHRISTOPHER HANS**  
Interim Chief Information Officer

## MEMORANDUM

**COLBY CATALDI**  
Managing Director  
**G. BRIAN KOVALSKY**  
Asst. Chief Information Officer, BSB  
**TOM MULLEN II**  
Asst. Chief Information Officer, ICB  
**WESLEY P. COLVIN**  
Asst. Chief Information Officer, HSB

**To:** Mark Seiler, Asst. Purchasing Director **Date:** 8/21/2014

**Via:** RCIT, Procurement Contract Specialist

**From:** Christopher Hans, Interim Chief Information Officer

**Subject:** Sole Source Procurement for Oracle License Support

The below information is provided in support of my Department requesting approval for a sole source. Outside of a duly declared emergency, the time to develop a statement of work or specifications is not in itself justification for sole source.

**1. Supply/Service being requested:**

Oracle license support and maintenance for the 2014/2015 fiscal year for existing county licenses only.

**2. Supplier being requested:**

Oracle America, vendor code #88030

**3. Alternative suppliers that can or might be able to provide supply/service:**

Oracle authorizes resellers to support their existing licenses. Those resellers include Mythics, LCS Technologies, and Tabora.

**4. Extent of market search conducted:**

RCIT Procurement staff issued a formal Request for Quote (RFQ #ITARC-276) for the major license held by RCIT and multiple informal RFQ's were issued for transitioned departments support renewals as they were discovered. However, the formal RFQ's and some of the informal ones did not receive competitive quotes from the authorized Oracle resellers and many of those that did reflect a mark-up in cost by the resellers.

**5. Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:**

Oracle licenses are proprietary and can only be supported by Oracle or its authorized resellers. These licenses support critical business components for county daily activities.

**6. Reasons why my department requires these unique features and what benefit will accrue to the county:**

Oracle licenses run the financials and human resources applications in PeopleSoft which is the main database used for daily county business processes including payroll, benefits, purchasing, financials, asset management, inventory, etc. Without support for these licenses, the county would be unable to continue to function in these critical areas.

**7. Price Reasonableness including purchase price and any ongoing maintenance or ancillary costs from the supplier:**

The price is considered reasonable when compared to the inability to do critical daily county businesses should the database malfunction and RCIT staff be unable to request support for the applications that keep the business processes running for all county departments. In addition, Oracle does not charge a mark-up for the support that a reseller would. For example for RCIT contract #P-02-06036-000—4 the Oracle cost is \$10,995.68 and LCS Technologies is \$11,347.54. Oracle has agreed to provide support and maintenance of all existing licenses at the costs noted below and making the contracts coterminous to allow for one blanket purchase order. Negotiations with Oracle have resulted in a 3% annual increase instead of the standard 7% for annual support and maintenance. This negotiation tactic resulted in a cost avoidance of \$64,575.38.

**8. Does moving forward on this product or service further obligate the county to future similar contractual arrangements or any ongoing costs affiliated with this sole source? (Maintenance, support, or upgrades, if so, please explain)?**

No, this cost covers all support of existing licenses referenced below from 7/1/2014 through 6/30/2015. For future support of existing licenses, it is the intent of RCIT to again issue a formal RFQ in an attempt to generate competition.

**9. Period of Performance:**

Period of performance shall be for one year of support, 7/1/2014 – 6/30/2015, at a not to exceed amount of \$1,662,816.00. License contract identifiers and individual support costs are included below for reference:

RCIT	2222352	\$141,323.42	RCIT	P-02-06036-000--4	\$10,995.68
RCIT	SUN-US1058602-1	\$1,270.51	RCWMD	245140	\$7,147.82
RCIT	P-99-649-00-000--27	\$650,946.77	RCWMD	2359431	\$3,781.46
RCIT	2374483	\$44,056.94	RCIT	6025719	\$6,170.62
RCIT	2243865	\$61,792.42	RCRMC	3883223	\$964.51
RCIT	P-99-649-05-000--10	\$102,496.87	RCIT	5091376	\$41,855.80
RCIT	2018568	\$291,978.00	RCIT	3578866	\$6,170.62
RCIT	P-04-11206-000--15	\$73,314.86	RCIT	5926135	\$34,624.60
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RCIT	5567704	\$28,979.52	TLMA	5950675	\$688.57
FLOOD	1650786	\$29,606.99	FLEET	2167702	\$940.58
ACR	2221185	\$18,626.68	ACR	2554882	\$15,219.83

*Christopher Hans*

*8/27/14*

Christopher Hans, Interim Chief Information Officer

Date

*Purchasing Department Comments:*

Approve

Approve with Condition/s

Disapprove

Not to exceed: \$ 1,662,816

One time

Annual Amount through 6-30-15

*Mark Seiler*

*8-28-14*

*15-178*

Mark Seiler, Asst. Purchasing Director

Date

Approval Number