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

Δ38

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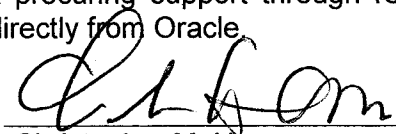1. Ratify and approve the blanket purchase order to Oracle in the amount of $1,662,816 without seeking competitive bids for all current Oracle license renewal support and maintenance costs for a one year period; and
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, to sign the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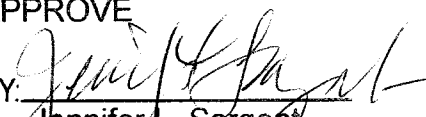
Christopher M. Hans
Interim Chief Information Officer

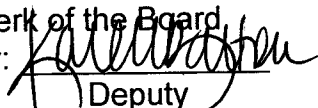| FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	$ 1,662,816	$ 0	$ 1,662,816	$ 0	Consent ☐ Policy ☑
NET COUNTY COST	$ 0	$ 0	$ 0	$ 0	

SOURCE OF FUNDS: RCIT and Departmental Budgets

Budget Adjustment: No

For Fiscal Year: 14/15

C.E.O. RECOMMENDATION: APPROVE

BY: Jennifer L. Sargent

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Benoit, seconded by Supervisor Ashley and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: September 9, 2014
xc: RCIT, Purchasing

Kecia Harper-Ihem
Clerk of the Board
By: _____
Deputy

Purchasing: Mark Seiler, Assistant Director, Departmental Concurrence

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

Prev. Agn. Ref.:	District: All	Agenda Number:

3-86

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 completive 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

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

MEMORANDUM

RCIT
CHRISTOPHER HANS
Interim Chief Information Officer

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 Taborda.

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
DPSS	1650782	$86,098.26	RCIT	5460264	$3,764.65
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, 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

_____   8-28-14   15-178
Mark Seiler, Asst. Purchasing Director   Date   Approval Number

Riverside County Board of Supervisors
Request to Speak

Submit request to Clerk of Board (right of podium),
Speakers are entitled to three (3) minutes, subject
to Board Rules listed on the reverse side of this form.

SPEAKER'S NAME: _Blott_

Address:_____

(only if follow-up mail response requested)

City:_____**Zip:**_____

Phone #:_____

Date:_____ **Agenda #** _3-86_

PLEASE STATE YOUR POSITION BELOW:

Position on "Regular" (non-appealed) Agenda Item:

_____Support _____Oppose _____Neutral

Note: If you are here for an agenda item that is filed
for "Appeal", please state separately your position on
the appeal below:

_____Support _____Oppose _____Neutral

I give my 3 minutes to:_____

BOARD RULES

Requests to Address Board on "Agenda" Items:
You may request to be heard on a published agenda item. Requests to be heard must be submitted to the Clerk of the Board before the scheduled meeting time.

Requests to Address Board on items that are "NOT" on the Agenda:
Notwithstanding any other provisions of these rules, member of the public shall have the right to address the Board during the mid-morning "Oral Communications" segment of the published agenda. Said purpose for address must pertain to issues which are under the direct jurisdiction of the Board of Supervisors. YOUR TIME WILL BE LIMITED TO THREE (3) MINUTES.

Power Point Presentations/Printed Material:
Speakers who intend to conduct a formalized Power Point presentation or provide printed material must notify the Clerk of the Board's Office by 12 noon on the Monday preceding the Tuesday Board meeting, insuring that the Clerk's Office has sufficient copies of all printed materials and at least one (1) copy of the Power Point CD. Copies of printed material given to the Clerk (by Monday noon deadline) will be provided to each Supervisor. If you have the need to use the overhead "Elmo" projector at the Board meeting, please insure your material is clear and with proper contrast, notifying the Clerk well ahead of the meeting, of your intent to use the Elmo.

Individual Speaker Limits:
Individual speakers are limited to a maximum of three (3) minutes. Please step up to the podium when the Chairman calls your name and begin speaking immediately. Pull the microphone to your mouth so that the Board, audience, and audio recording system hear you clearly. Once you start speaking, the "green" podium light will light. The "yellow" light will come on when you have one (1) minute remaining. When you have 30 seconds remaining, the "yellow" light will begin flash, indicating you must quickly wrap up your comments. Your time is up when the "red" light flashes. The Chairman adheres to a strict three (3) minutes per speaker. ***Note: If you intend to give your time to a "Group/Organized Presentation", please state so clearly at the very bottom of the reverse side of this form.***

Group/Organized Presentations:
Group/organized presentations with more than one (1) speaker will be limited to nine (9) minutes at the Chairman's discretion. The organizer of the presentation will automatically receive the first three (3) minutes, with the remaining six (6) minutes relinquished by other speakers, as requested by them on a completed "Request to Speak" form, and clearly indicated at the front bottom of the form.

Addressing the Board & Acknowledgement by Chairman:
The Chairman will determine what order the speakers will address the Board, and will call on all speakers in pairs. The first speaker should immediately step to the podium and begin addressing the Board. The second speaker should take up a position in one of the chamber aisles in order to quickly step up to the podium after the preceding speaker. This is to afford an efficient and timely Board meeting, giving all attendees the opportunity to make their case. Speakers are prohibited from making personal attacks, and/or using coarse, crude, profane or vulgar language while speaking to the Board members, staff, the general public and/or meeting participants. Such behavior, at the discretion of the Board Chairman may result in removal from the Board Chambers by Sheriff Deputies.