

AGENDA



Thursday, December 17, 2009

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 71

Subject: Authorize negotiation and execution of a 60-month requirements contract through the State of Texas Department of Information Resources with RFD & Associates, Inc. (WBE/WB-100%), an authorized Oracle reseller, to provide an Oracle Enterprise License Agreement for software licenses in an estimated amount not to exceed \$2,051,379, an Oracle Business Intelligence License Agreement for the Fusion Project in an estimated amount not to exceed \$215,000, and software support and maintenance for licenses in an estimated amount not to exceed \$8,507,461, for a total estimated contract amount not to exceed \$10,773,840; and a 36-month financing agreement with Oracle Corporation for the Enterprise License Agreement at no cost to the City.

Amount and Source of Funding: Funding in the amount of \$260,278 is available in the Fiscal Year 2009-2010 Capital Budget of Financial and Administrative Services, Communication and Technology Management. Funding in the amount of \$316,275 is available in the Fiscal Year 2009-2010 Operating Budget of Financial and Administrative Services, Communication and Technology Management. Funding in the amount of \$135,186 is available in the Fiscal Year 2009-2010 Capital Budget of Austin Energy. Funding in the amount of \$164,270 is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy. Funding in the amount of \$32,808 is available in the Fiscal Year 2009-2010 Capital Budget of Austin Water Utility. Funding in the amount of \$215,000 is available in the Homeland Security Grant Program Urban Area Security Initiative. Funding for the remaining 50 months of the original contract period is contingent upon available funding in future budgets.

Fiscal Note: Fiscal notes are attached.

For More Information: Mick Osborne, Specialist Sr. Buyer/974-2995 Stephen Elkins, Acting CIO, 974-1656

MBE/WBE: This cooperative contract is exempt from the MBE/WBE Ordinance. This exemption is in compliance with Chapter 2-9C of the City Code (Minority –Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this contract. RFD & Associates, Inc. - 100% WBE prime contractor participation.

The City of Austin uses Oracle software for the operation and support of over 200 applications city-wide, transcending all major departments, supporting critical 24 x 7 infrastructure like the 911 system and Versadex (the APD record management system).

This request is for approval to negotiate a requirements contract with RFD and Associates Inc., an Authorized Oracle Reseller, for an Oracle enterprise license agreement (ELA), an Oracle Business Intelligence Software license for the Fusion project, and software support and maintenance; and a 36-month financing agreement with Oracle Corp. The current method of purchasing individual licenses on an as-needed basis provides little in the way of upgrade features, product enhancement, or room for growth, yet overall, it is more costly than the overall cost of the ELA. The ELA is expected to save up to \$3,193,172 over the life of the contract agreements with RFD and Oracle by combining all City purchases and related support costs. This RCA also includes the spending authority for support costs for the City's existing Oracle products through the duration of this contract period. There will also be fixed price holds for additional licenses purchased within the contract period as well as credits for training.

The Oracle software ELA will promote smart technology decisions and best practices in a number of areas including: modernization, disaster recovery, secondary data centers, IT standardization, and upgrades of multi-core processors, which will reduce complexity and lower costs over the period of the contract. The City primary departments benefiting from the ELA and participating in the costs are: Austin Energy, Austin Water Utility, Controller's Office, Budget Office, and CTM.

RFD & Assoc., Inc. is contracted through the State of Texas, Department of Information Resources (DIR) to provide this software and services to other public entities state-wide as a result of a competitive bidding process. Utilizing the DIR contract provides for large volume discount pricing.