



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

Consent
April 1, 2008

Honorable Mayor and
Members of the City Council

Title: Supplemental Agreement: Oracle Software Licenses

Location/Council District: Citywide

Recommendation: Adopt a **Resolution** authorizing the City Manager to execute Supplemental Agreement No. 4 to City Agreement No. 2006-1178 with Oracle, Inc., for the purchase of additional Oracle PeopleSoft licenses and associated technical support services for the electronic Citywide Accounting and Personnel System (eCAPS) for an amount not to exceed \$118,000.

Contact: Jim Boyle, Supervising IT Project Manager, 808-5005
Stephen R. Ferguson, Chief Information Officer, 808-8600

Presenters: Not applicable

Department: Information Technology

Division: Administration

Organization No: 07001011

Description/Analysis

Issue: On October 24, 2006, City entered into an agreement with Oracle, Inc. for the purchase of software licenses and technical support services for an Enterprise Resource Planning (ERP) system, commonly referred to as the electronic Citywide Accounting and Payroll System (eCAPS). eCAPS will replace the outdated legacy city-wide systems for Financial and Human Resources(HR)/Payroll administration and will provide the City better integration of financial data, improved capacity to support activity-based cost accounting and citywide adoption of best business practices.

For certain sets of Oracle PeopleSoft licenses, the City's reported operating budget and employee count were used as the basis for determining the number of licenses required. Since 2006, the City's reported operating budget has increased; as such, the licenses need to increase accordingly. The initial operating budget number used for the contract was \$711 Million, (Schedule 1 of the Proposed Budget for 2006/2007). The current operating budget is \$778 Million (Schedule 1 of the Approved Budget for 2007/2008).

Policy Considerations: This recommendation is in accordance with the FY-2007/08 Proposed Budget Document’s Strategic Planning Process. In particular, this recommendation is consistent with the Sustainable Budget Concept that includes the following areas:

- Use one-time resources strategically
- Continuous evaluation for efficiencies and effectiveness
- Identify return on investment and impacts; fiscal and social benefits

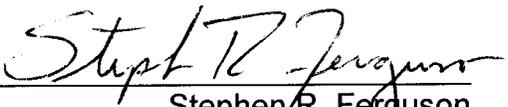
Environmental Considerations: The report concerns administrative activities that will not have a significant effect on the environment, and does not constitute a “project” as defined by the California Environmental Quality Act (CEQA) [CEQA Guidelines Sections 15061(b)(3);15378(b)(2)].

Rationale for Recommendation: Ensuring that the software licenses keep pace with the size of the City is an ongoing requirement for eCAPS enterprise software applications.

Financial Considerations: No additional funding is requested. Funding for the PeopleSoft license expansion is available in the eCAPS Project budget (A07000600).

Emerging Small Business Development (ESBD): Oracle is not a City certified E/SBE firm.

Respectfully Submitted by: Jim Boyle, Supervising IT Project Manager

Approved by: 
Stephen R. Ferguson
Chief Information Officer

Recommendation Approved:


Ray Kerridge
City Manager

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Attachment 1

RESOLUTION NO.

Adopted by the Sacramento City Council

ORACLE PEOPLESOFT ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM LICENSES

BACKGROUND

- A. On October 24, 2006, the City entered into an agreement with Oracle, Inc. for the purchase of licenses, project team training, and technical support services for an enterprise resource planning (ERP) system. For certain Oracle PeopleSoft licenses, the City's reported operating budget and employee count were used to determine the number of licenses required. Since then, the City's operating budget has increased.
- B. In order to maintain the number of licenses consistent with the City's size, additional licenses are required.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Manager is authorized to execute Supplemental Agreement No. 4 to City Agreement No. 2006-1178 with Oracle, Inc. for the purchase of additional PeopleSoft licenses and associated technical support services for an amount not to exceed \$118,000.