RESOLUTION NO. 2006-785

Adopted by the Sacramento City Council

October 24, 2006

AUTHORIZING THE CITY MANAGER TO EXECUTE A SOFTWARE LICENSE AND SERVICES AGREEMENT WITH ORACLE, INC. FOR THE PURCHASE OF LICENSES, PROJECT TEAM TRAINING, AND TECHNICAL SUPPORT SERVICES FOR AN ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM FOR ONE YEAR, FOR AN AMOUNT NOT TO EXCEED $2,400,000; A CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT WITH CHERRYROAD TECHNOLOGIES FOR THE INSTALLATION AND IMPLEMENTATION OF AN ERP SYSTEM, FOR AN AMOUNT NOT TO EXCEED $11,300,000

BACKGROUND

A. On December 13, 2005, City staff released a Request for Proposal (RFP) for consulting services to assist City staff in the planning and staging phase of the ERP System Project. Nearly 100 firms downloaded the RFP from the City's web site, and 7 submitted proposals. A team of city staff from the Finance, HR, and IT Departments evaluated the proposals and concluded that the proposal from Government Finance Officers Association (GFOA) best met the City's needs in providing ERP System planning and selection consulting services.

B. On February 7, 2006, City Council Adopted a Resolution (2006-106) that approved establishing a Capital Improvement Project (CIP) and appropriated $14.6 million of General Fund department carryover to fund a portion of the estimated General Funded costs of the Human Resources/Financial System Replacement. Current estimated project costs are $22-25 million.

C. On February 7, 2006, City Council Adopted a Resolution (2006-107) that authorized the City Manager to execute a Consultant and Professional Services Agreement with Government Finance Officers Association (GFOA) to assist the City in the planning and procurement of a new integrated finance and human resource system.

D. On May 31, 2006, City staff again released an RFP, this time for software and implementation services for an ERP system. Seven proposal teams submitted proposals.

E. Of the 7 proposal teams that submitted proposals, six proposal teams were elevated to the Demonstration Phase of the selection process. The Demonstration Phase included four (4) days of presentations, lab

demonstrations, and discussions for each software vendor that took place from July 11 to July 28, 2006.

F. Of the six proposal teams, two were further elevated and were invited back for the Discovery Phase of the selection process that included clarifying functional demonstrations, discussions, and other proposal clarifications.

G. The City's ERP Proposal Evaluation Team (PET) carefully reviewed all bids, vendor demonstrations, and product capabilities. Of the 7 proposal teams that submitted proposals, the ERP PET concluded that Oracle and CherryRoad's ERP software and implementation proposal best met the City's business requirements.

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

Section 1. The City Manager is authorized to execute a software License and Services Agreement with Oracle, Inc. for the purchase of Oracle software licenses and technical support services for an ERP system for one year, for an amount not to exceed $2,400,000.

Section 2. The City Manager is authorized to execute a Consultant and Professional Services Agreement with CherryRoad Technologies for the installation and implementation of an ERP system, for an amount not to exceed $11,300,000. The not-to-exceed price includes contingency funds of 9%, or $913,000.

Adopted by the City of Sacramento City Council on October 24, 2006 by the following vote:

Ayes: Councilmembers, Cohn, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters and Vice Mayor Fong.

Noes: None.

Abstain: None.

Absent: Mayor Fargo.

Robert King Fong, Vice Mayor

Attest: Shirley Concolino

Shirley Concolino, City Clerk