

City of Santa Fe, New Mexico

memo

DATE: June 3, 2014

TO: City Council

FROM: Lisa D. Martinez, Interim ITT Department Director 

VIA: Brian K. Snyder, City Manager *BKS*

ISSUE: Exempt Procurement – Oracle JD Edwards Extended Support

BACKGROUND:

On April 30, 2014, **Extended Support** for the City's JD Edwards Financial, Enterprise Resource Planning (ERP) system expired. Effective May 1, 2014, the system entered **Sustaining Support** with Oracle, Inc. Sustaining Support provides the City with indefinite access to major releases, technical support, fixes, patches and scripts that were created during the **Premier Support** stage; which expired for the City on April 30, 2011. The **Premier Support** stage of the system was the optimum support stage, and provides maximum access to fixes, patches, upgrades and top priority technical support services. In order for the City to move back into **Premier Support**, JD Edwards would have to be upgraded from the current version, 8.12, to the latest version, 9.1. This upgrade would cost approximately \$480,000, and must be completed by November 1, 2014 to provide sufficient time to apply and test required end-of-year Electronic Software Updates (ESU) related to payroll taxes. Alternatively, Oracle has offered to prolong **Extended Support** for an additional two years (12 month increments) at an annual rate of \$150,000 plus GRT. In addition to providing the required end-of-year ESUs related to payroll taxes, Oracle's prolonged Extended Support includes priority one fixes. This offer initially expired on May 22, 2014. However, Oracle has since extended the offer to May 31, 2014, and again to June 6, 2014.

SUMMARY:

In order to take advantage of Oracle's offer, which expires on June 6, 2014, to prolong Extended Support for up to two additional years, and in accordance with Rule 18 of the Purchasing Manual, the ITT Department requested and was granted approval for an exempt procurement in the amount of \$150,000 plus GRT. The City Manager submitted this matter to the City Council at the May 28, 2014 meeting, whereby it was approved under Matters from the City Manager, with the proviso that the matter be submitted to the next scheduled City Council meeting for review and ratification.

This approach, in lieu of upgrading to the latest version of the software, mitigates the risk associated with undergoing a major upgrade to a critical application system – in a window of less than six

months. Moreover, it provides the City with sufficient time to evaluate other ERP software and hardware options. Staff estimates that the City could potentially save up to \$3,000,000, over the next five years, by selecting an ERP system that is more suitable for municipal government. Accordingly, ITT and Finance intend to issue an RFP for professional consulting and project management services to develop requirements and issue an RFP for a new ERP system.

Although this situation did not create a threat to public health, welfare, safety or property, it did place the City at undue elevated risks for the proper function of its financial, payroll and HR systems. Due to the limited timetable, acceptance of the offer could not have been met through normal procurement methods. This ERP system is a proprietary system with Oracle Inc., and was approved by the Purchasing Director as an exempt procurement under Rule 18 of the Purchasing Manual.

If the City had chosen not to issue a purchase order prior to the expiration of Oracle's offer, Oracle may have chosen not to extend the offer further, or may have chosen to extend the offer at an additional price increase to the City.

This purchase was charged to 12029.520300 (ITT Software Maintenance). A purchase order in the amount of \$150,000 was issued to Oracle on May 30, 2014, which secured extended support for JD Edwards Financial ERP system through April 30, 2015.

ACTION:

Exempt procurement to purchase Extended Support for the City's JD Edwards Financial, Enterprise Resource Planning (ERP) system.



30-May-14

Caryn Fiorina
City Of Santa Fe
2651 Siringo Road
Building F
SANTA FE
NM 87504
United States

Dear Caryn Fiorina

Please find attached an ordering document for technical support services. The technical support services, identified in the ordering document, may be ordered by issuing a form of payment acceptable to Oracle in accordance with the Order Processing Details section of the ordering document on or before 6-Jun-14.

If you have questions regarding your order or require further information, please contact me at the e-mail address or telephone number provided below.

Regards,

Jim Souder
Oracle Support Services
E-mail: jim.souder@oracle.com
Tel.: 16023339024
Fax:



GENERAL INFORMATION

OFFER EXPIRATION		ORACLE: Oracle America, Inc.	
Support Service Number:	6303253	Oracle Support Sales Representative:	Jim Souder
Offer Expires:	6-Jun-14	Telephone:	16023339024
		Fax:	
		E-mail:	jim.souder@oracle.com
CUSTOMER: City Of Santa Fe			
CUSTOMER QUOTE TO		CUSTOMER BILL TO	
Account Contact:	Caryn Fiorina	Account Contact:	CHERELLE Blea
Account Name:	City Of Santa Fe	Account Name:	City Of Santa Fe
Address:	2651 Siringo Road Building F SANTA FE NM 87504 United States	Address:	PO Box 909 SANTA FE NM 87504 United States
Telephone:	505 955-5573	Telephone:	505-955-5570
Fax:		Fax:	
E-mail:	cyfiorina@santafenm.gov	E-mail:	cjarmijo@ci.santa-fe.nm.us

"You" and "Your" as referenced in this ordering document refers to the Customer identified in the table above.

Oracle may provide certain notices about technical support services via e-mail. Accordingly, please verify and update the Customer Quote To and Customer Bill To information in the above table to help ensure that You receive such communications from Oracle. If changes are required to the Customer Quote To and Customer Bill To information, please e-mail or fax the updated information, with Your support service number 6303253, to Your Oracle Support Sales Representative identified in the table above.

SERVICE DETAILS

Program Technical Support Services							
Service Level: Financials and Payroll Legislative Updates for Oracle JD Edwards: TIER 1							
Product Description	CSI #	Qty	License Metric	License Level / Type	Start Date	End Date	Price
JD Edwards EnterpriseOne Advanced Stock Valuation - Enterprise \$M in Operating Budget Perpetual	15597400	250		FULL USE	1-May-14	30-Apr-15	4,687.50
Crystal Enterprise/BusinessObjects Enterprise PeopleSoft Enterprise Concurrent Access License (bundles of 5) (Mfr is Business Objects SA Third Party Program)	15597400	1		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne Bulk Stock Inventory - Enterprise \$M in Operating Budget Perpetual	15597400	250		FULL USE	1-May-14	30-Apr-15	4,687.50
Crystal Reports for PeopleSoft Enterprise for Unlimited Users (Mfr is Business Objects SA Third Party Program)	15597400	1		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne Requirements Planning - Enterprise \$M in Operating Budget Perpetual	15597400	250		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne Advanced Pricing - Enterprise \$M in Operating Budget Perpetual	15597400	250		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne Procurement and Subcontract Management - Enterprise \$M in Operating Budget Perpetual	15597400	250		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne Inventory Management - Enterprise \$M in Operating Budget Perpetual	15597400	250		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne Manufacturing Management - Enterprise \$M in Revenue Perpetual	15597400	250		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne Contract and Service Billing - Enterprise \$M in Operating Budget Perpetual	15597400	250		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne Capital Asset Management - Enterprise \$M in Operating Budget Perpetual	15597400	250		FULL USE	1-May-14	30-Apr-15	4,687.50

Program Technical Support Services

Service Level: Financials and Payroll Legislative Updates for Oracle JD Edwards: TIER 1

Product Description	CSI #	Qty	License Metric	License Level / Type	Start Date	End Date	Price
JD Edwards EnterpriseOne Warehouse Management - Enterprise \$M in Operating Budget Perpetual	15597400	250		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne Transportation Management - Enterprise \$M in Operating Budget Perpetual	15597400	250		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne Agreement Management - Enterprise \$M in Operating Budget Perpetual	15597400	250		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne Project Costing - Enterprise \$M in Operating Budget Perpetual	15597400	250		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne Sales Order Management - Enterprise \$M in Operating Budget Perpetual	15597400	250		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne Time and Labor - Enterprise Employee Perpetual	15597400	1600		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne Human Resources Management - Employee Count Perpetual	15401755	1600		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne Employee Self-Service - Employee Count Perpetual	15401755	1600		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne HCM Foundation - Employee Count Perpetual	15401755	1600		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne Manager Self-Service - Employee Count Perpetual	15401755	1600		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne Foundation - Address Book - Reported Budget Perpetual	15401755	25000000		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne Foundation - EDI Foundation - Reported Budget Perpetual	15401755	25000000		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne Foundation - Order Processing - Reported Budget Perpetual	15401755	25000000		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne Foundation - Self-Service - Reported Budget Perpetual	15401755	25000000		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne Foundation - Self Service Order Processing - Reported Budget Perpetual	15401755	25000000		FULL USE	1-May-14	30-Apr-15	4,687.50

Program Technical Support Services							
Service Level: Financials and Payroll Legislative Updates for Oracle JD Edwards: TIER 1							

Product Description	CSI #	Qty	License Metric	License Level / Type	Start Date	End Date	Price
JD Edwards EnterpriseOne Foundation - System Foundation - Reported Budget Perpetual	15401755	25000000		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne Foundation - Electronic Mail - Reported Budget Perpetual	15401755	25000000		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne Foundation - Work Order - Reported Budget Perpetual	15401755	25000000		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne Technology Foundation Upgrade - Reported Budget Perpetual	15401755	25000000		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne Financials - Enterprise \$M in Operating Budget Perpetual	15597400	250		FULL USE	1-May-14	30-Apr-15	4,687.50
JD Edwards EnterpriseOne Us Payroll - Employee Count Perpetual	15401755	1600		FULL USE	1-May-14	30-Apr-15	4,687.50

Program Technical Support Fees: USD 150,000.00

Total Price: USD 150,000.00

Plus applicable tax

Please note the following:

- If You have questions regarding the Service Details section of this ordering document, or believe that corrections are required, please contact Your Oracle Support Sales Representative identified on the first page of this ordering document.
- Please review Oracle's technical support policies, including the Lifetime Support Policy, before entering into this ordering document. Under Oracle's Lifetime Support Policy, the support level for an Oracle product, if applicable, may change during the term of the services purchased under this ordering document. If extended support is offered, an additional fee will be charged for such support if ordered. If You would like to purchase extended support please contact Your Oracle Support Sales Representative identified on the first page of this ordering document.
- If Oracle accepts Your order, the start date set forth in the Service Detail table above shall serve as the commencement date of the technical support services and the technical support services ordered under this ordering document will be provided through the end date specified in the table for the applicable programs and/ or hardware.
- If any of the fields listed in the Service Details table above are blank, then such fields do not apply for the applicable programs and/or hardware for which You are purchasing technical support services.

TECHNICAL SUPPORT SERVICES TERMS

If the Customer and the Customer Quote To name identified in the General Information table above are not the same, City Of Santa Fe represents that Customer has authorized City Of Santa Fe to execute this ordering document on Customer's behalf and to bind Customer to the terms described herein. City Of Santa Fe agrees that the services ordered are for the sole benefit of Customer and shall only be used by Customer. City Of Santa Fe agrees to advise Customer of the terms of this ordering document as well as any communications received from Oracle regarding the services.

If the Customer and the Customer Bill To name identified in the General Information table above are not the same, Customer agrees that: a) Customer has the ultimate responsibility for payments under this ordering document; and b) any failure of City Of Santa Fe to make timely payment per the terms of this ordering document shall be deemed a breach by Customer and, in addition to any other remedies available to Oracle, Oracle may terminate Customer's technical support service under this ordering document.

Technical support is provided under Oracle's technical support policies in effect at the time the services are provided. The technical support policies are subject to change at Oracle's discretion; however, Oracle will not materially reduce the level of services provided for supported programs and/or hardware during the period for which fees for technical support have been paid. You should review the technical support policies prior to entering into this ordering document. The current version of the technical support policies may be accessed at <http://www.oracle.com/us/support/policies/index.html>.

The technical support services acquired under this ordering document are governed by the terms and conditions of the applicable agreement identified below ("agreement"):

- The agreement that You executed for technical support services for the programs and/ or hardware listed in the Services Details section above with Oracle or a vendor acquired by Oracle. Any use of the programs and/or hardware, which includes updates and other materials provided or made available by Oracle as a part of technical support services, is subject to the rights granted for the programs and/or hardware set forth in the order in which the programs and/or hardware were acquired; or
- If You do not have an existing agreement for technical support services with Oracle, or a vendor acquired by Oracle, You agree that the terms of the Oracle Master Agreement V082813 located at <http://www.oracle.com/us/corporate/contracts/oma-services/index.html> govern the provision of technical support services ordered under this ordering document, as well as Your rights to use updates and other materials provided or made available by Oracle under technical support services. If applicable, You should review the Oracle Master Agreement V082813 prior to entering into this ordering document.

This ordering document incorporates the agreement by reference. In the event of inconsistencies between the terms contained in this ordering document and the agreement, this ordering document shall take precedence.

ORDER PROCESSING DETAILS

Your order is subject to Oracle's acceptance. Your order is deemed to be placed when You provide Oracle with details for payment (e.g., Your purchase order, Your check, or a credit card confirmation for the order as detailed below) or an executed Oracle Financing contract. Once placed, Your order shall be non-cancelable and the sums paid nonrefundable, except as provided in the agreement.

Please note that if the pre-tax value of this ordering document is USD \$2,000 or less, the technical support services ordered (i) must be paid by credit card; or (ii) You must renew Your support via the Oracle Store. Please contact Your Oracle Support Sales Representative for details regarding renewing Your support via the Oracle Store.

Technical Support fees are invoiced Quarterly in Arrears. All fees payable to Oracle are due within 30 NET from date of invoice.

Oracle will issue an invoice to You upon receipt of a purchase order or a form of payment acceptable to Oracle. You agree to pay any sales, value-added or other similar taxes imposed by applicable law, except for taxes based on Oracle's income. If City Of Santa Fe is a tax exempt organization, a copy of City Of Santa Fe's tax exemption certificate must be submitted with City Of Santa Fe's purchase order, cheque, credit card or other acceptable form of payment

Purchase Order

If the technical support services on this ordering document will be ordered and paid under a purchase order, the purchase order must include the following information:

- Support Service Number: 6303253
- Total Price: USD 150,000.00 (excluding applicable tax)
- Local Tax, if applicable

In issuing a purchase order, City Of Santa Fe agrees that the terms of this ordering document and the agreement supersede the terms in the purchase order or any other non-Oracle document, and no terms included in any such purchase order or other non-Oracle document shall apply to the technical support services ordered under this ordering document.

Please e-mail or fax the purchase order to Oracle in accordance with the Remittance Details section below.

Check

If the technical support services on this ordering document will be ordered and paid by check, the check must include the following information:

- Support Service Number: 6303253
- Total Price: USD 150,000.00 (excluding applicable tax)
- Local Tax, if applicable

In issuing a check, City Of Santa Fe agrees that only the terms of this ordering document and the agreement shall apply to the technical support services ordered under this ordering document. No terms attached or submitted with the check shall apply.

Please mail check payments in accordance with the Remittance Details section below.

Credit Card Confirmation

If the technical support services on this ordering document will be ordered and paid by credit card, please complete the information in this section and return it to Oracle in accordance with the Remittance Details section below. The credit card used to make payment must be valid for the entire support services term. Please note that Oracle is unable to process credit card transactions of USD \$100,000 or greater or transactions that are not in USD.

Credit Card Number

Credit Card Type (Visa, MasterCard, AMEX, JCB (for Japan only))

Expiration Date

Billing Address (associated with Credit Card)

City, State, and Zip (associated with Credit Card)

Authorized Signature

Name (as it appears on the credit card)

In issuing this credit card confirmation, City Of Santa Fe agrees that only the terms of this ordering document and the agreement shall apply to the technical support services ordered under this ordering document. No terms attached or submitted with the credit card confirmation shall apply.

Remittance Details

Purchase orders, credit card details, or payment confirmation for the technical support services ordered under this ordering document should be sent to:

Attn: Jim Souder
Oracle Support Services
Fax:
E-mail: jim.souder@oracle.com

Checks for the technical support services ordered under this ordering document should be sent to:

AK, AZ, CA, HI, ID, NV, OR, UT, WA:

Oracle America, Inc
PO Box 44471
San Francisco, CA 94144-4471

All Other States:

Oracle America, Inc
PO Box 203448
Dallas, TX 75320-3448

CITY OF SANTA FE:

JAVIER M. GONZALES, MAYOR

ATTEST:

YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:

Kelley A. Brennan
KELLEY A. BRENNAN, INTERIM CITY ATTORNEY

APPROVED:

6/6/14

MARCOS A. TAPIA, FINANCE DIRECTOR