



Pinellas County

Staff Report

File #: 22-0109A, Version: 1

Subject:

Agreement with Oracle America, Inc. for Oracle support services.

Recommended Action:

Approval of the Agreement with Oracle America, Inc. for Oracle support services.

- This agreement provides for the continued maintenance and support services of County owned Oracle software license entitlements. Entitlements are utilized to support many critical County business processes including the Oracle Project Unified Solution system which is the County's Enterprise Resource Planning solution for administrative functions, financials, and human resources in support of County business.
- Per Resolution 09-119, the County is authorized to engage in direct negotiations with Oracle relating to the acquisition of software licenses and maintenance agreements.
- This agreement will replace the prior agreement (090-0173-M). Pricing reflects a 4% increase from last year's renewal. Through negotiations, Oracle responded with an inflationary structure that provided for a Year 1, 4% increase over the prior renewal costs, and a 2% cap to renewal periods two through five. In comparison to the impact of an 8% year over year increase, this negotiation cost avoided the County an estimated \$477,550.
- This contract has a total not to exceed amount of \$1,455,398.88 for a twelve-month term. Funding is from Business Technology Services (BTS) Enterprise Business Suite (EBS-OPUS) Operating Budget.
- This contract may be renewed for four additional twelve-month periods. Annual renewals are provided via an 'Ordering Document' from Oracle prior to the expiration of the current year term. The ordering document for the current term of Jan. 30, 2023 - Jan. 29, 2024, is attached to this item.
- BTS is requesting delegated authority to the County Administrator for increases and extensions pertaining to renewal periods two through five for this contract.
- Funding in the amount of \$1,399,430.00 is included in the FY23 Adopted Budget within the Business Technology Service Fund. The difference between the budgeted amount and the agreement will be absorbed by BTS.
- The County has standard indemnification requirements which Oracle has taken exception to that are in conflict with County Resolution No. 06-70. The County Attorney's Office and BTS have reviewed the proposed indemnification language and do not consider the revised language to be a considerable level of risk. This disclosure is set forth in accordance with the requirements of County Resolution No. 06-70.

Contract No. 22-0190-A in the amount of \$1,455,398.88 for a twelve-month term; Authorize the Chairman to sign and the Clerk of the Circuit Court to attest.

Strategic Plan:

Deliver First Class Services to the Public and Our Customers
5.3 Ensure effective and efficient delivery of county services and support

Summary:

This agreement provides for the continued maintenance and support services of County owned Oracle software license entitlements. Entitlements are utilized to support many critical County business processes including the Oracle Project Unified Solution system which is the County's Enterprise Resource Planning solution for administrative functions, financials, and human resources in support of County business.

Background Information:

This contract provides for the maintenance and support of Oracle software licenses which are utilized to support many critical business processes including the Oracle Project Unified Solution (OPUS) system. This contract replaces contract 090-0173-M with Oracle which was approved by the Board of County Commissioners (Board) on January 5, 2010, for a seven-year period with subsequent annual extensions through January 29, 2023. In early 2022, BTS negotiated with Oracle to reduce unused license entitlements. These negotiations reduced annual operating expenditures by over \$300,000. This new agreement is reflective of this reduction and provides for a 2% inflationary cap in renewal periods two through five avoiding Oracle's 8% inflationary increase to customers that was announced to the industry in June of 2022, with direct impacts released to the County late October 2022. Through negotiations, Oracle responded with an inflationary structure that provided for a Year 1, 4% increase over the prior renewal costs, and a 2% cap to renewal periods two through five. In comparison to the impact of an 8% year over year increase, this negotiation cost avoided the County an estimated \$477,550.

Fiscal Impact:

Total Not to Exceed: \$1,455,398.88

Funding in the amount of \$1,399,430.00 is included in the FY23 Adopted Budget within Business Technology Service Fund, Enterprise Business Suite (EBS-OPUS) center. The difference between the budgeted amount and the agreement will be covered via anticipated lapse and the Budget Amendment will not be needed.

Staff Member Responsible:

Jeff Rohrs, Chief Information Officer, Business Technology Services

Partners:

N/A

Attachments:

Oracle Master Agreement (OMA) and Amendment One
Ordering Document (Technical Support Services Renewal Order)