



CITY COUNCIL AGENDA REPORT

MEETING DATE: February 18, 2014

ITEM NUMBER:

SUBJECT: RIMINI STREET ORACLE/PEOPLESFT SUPPORT SERVICES CONTRACT

DATE: February 11, 2014

FROM: INFORMATION TECHNOLOGY DEPARTMENT

PRESENTATION BY: STEVE ELY, INTERIM I.T. DIRECTOR

FOR FURTHER INFORMATION CONTACT: STEVE ELY, 714-754-4891

RECOMMENDATION:

Authorize the City CEO or his designee to sign the Master Services Agreement and Purchase Requisition for \$110,338 with Rimini Street Incorporated to replace Oracle Corporation in providing support for the City's Oracle/PeopleSoft products.

BACKGROUND:

Oracle/PeopleSoft is the City's Financial and Human Resources software system. The Oracle/PeopleSoft software package was originally purchased in 1997 and has been updated many times since then through licensing and support contracts. The Oracle Corporation is currently providing the City software update license and service support for the following PeopleSoft products:

- (1) Financial Modules: General Ledger; Accounts Receivables; Accounts Payable; Project Costing; Asset Management; Billing; Purchasing, Inventory; and Budgets
- (2) Human Resource Modules: Time and Labor; Payroll; Benefits Administration; and Human Resources
- (3) Silver Support for CSI #1133239 (Database)
- (4) eApplications: ePay-Employee Count Perpetual; Candidate Gateway; eProfile - Employee Count Perpetual; eProfile Manager Desktop - Employee Count; eBenefits - Employee Count Perpetual; Conversion Only

Each of these products is used by different departments throughout the City. The Finance Department uses the features provided by the Financial Modules and the eApplications. Also, each department has primary users who access real time budget data throughout the year for making payments and doing analyses.

Both the City CEO's Department (Human Resources) and Finance Department (Payroll) use the Human Resource modules. Currently, the City uses a PeopleSoft application for online time-and-record keeping for each payroll processed. The Information Technology Department uses the Oracle database as the repository of all electronic data used by the PeopleSoft Financials and HR payroll.

The current support agreements for these products expire on the following dates:

- Financials: March 18, 2014
- HR: March 18, 2014
- Database: April 19, 2014
- eApplications: June 4, 2014

ANALYSIS:

The PeopleSoft/Oracle software support is a significant portion of the City's daily business processes - from processing cash receipts to paying vendors. Oracle Corporation is one source of ongoing support for these products.

Due to the enormous cost of maintaining annual support for these products, staff has looked into other potential software solutions that may make better financial sense for the City. However, the selection and implementation time properly switching out a new software solution far exceeds the City's current support expiration deadlines. To satisfy the City's need for uninterrupted continuous support of these systems, which are vitally important to the City's operations, staff has found a third party support provider, Rimini Street Inc.

Staff researched options to reduce costs without reducing support levels, which led to a search for third party vendors capable of supporting maintenance of the City's Oracle/PeopleSoft modules and mandated Tax updates.

Staff research determined that only one vendor provides all of the critical and necessary elements needed. This vendor was Rimini Street.

Staff has researched, in an attempt to identify viable third party vendors capable of providing Oracle/PeopleSoft maintenance support, to initiate a competitive bid for said services and Rimini Street is the only viable vendor found in its discovery.

Rimini Street is capable of assisting the City with ongoing support with these products and reduce the annual cost by at least 50%.

By moving Oracle/PeopleSoft support to Rimini Street, the City will immediately save in support fees while receiving added services. City staff will gain access to expert support (including support of the City's unique customizations) 24x7x365 from dedicated engineers. This will ensure future access to all break and bug fixes, interoperability support, and performance support, as well as ongoing tax and regulatory updates.

As currently proposed, an Agreement with Rimini Street will potentially yield the following savings to the City:

Rimini Street	
Annual Cost for Year One of Support:	\$110,338
Option Year Two:	115,854 (Option Yr. rate increase for renewal is 5%)
Option Year Three:	<u>121,647</u> (Option Yr. rate increase for renewal is 5%)
Total for Three years:	\$347,839
Compared with Oracle's Fees:	\$220,675 (3/18/14 to 3/17/15 based on 3% Yr. increase)
	227,295 (3/18/15 to 3/17/16 based on 3% Yr. increase)
	<u>234,114</u> (3/18/16 to 3/17/17 based on 3% Yr. increase)
Oracle's total fees for three years:	\$682,084

ALTERNATIVES CONSIDERED:

Proceeding on a Time-and-Materials support basis is not available through Rimini Street or Oracle. Additionally, under the Oracle terms and conditions of the existing contracts, any organization that has stopped paying support and later decides to re-sign a support agreement is liable for all back payments at the then current rate.

Staff is looking into other potential software solutions that may make better financial sense for the City. Once staff has researched all other possibilities, it will present those findings to the City Council.

FISCAL REVIEW:

Funding for this agreement is included in the fiscal year 2013-14 adopted budget.

LEGAL REVIEW:

Legal has reviewed the documents and approved them as to form and content.

CONCLUSION:

Approving the Master Services Agreement to maintain the existing infrastructure, minimize the danger from system outages, and enable the City to incur significant savings.

STEVEN ELY
Interim I.T. Director

Tom Duarte
City Attorney

STEPHEN DUNIVENT
Interim Finance Director

Attachments: [Sole Source Justification-Rimini](#)