

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND  
2004 MAR 11 PM 1:48

**CITY OF OAKLAND  
COUNCIL AGENDA REPORT**

TO: Office of the City Manager  
ATTN: Deborah Edgerly  
FROM: Finance and Management Agency  
DATE: March 23, 2004

RE: A staff report and resolution authorizing the City Manager to execute a Master Agreement with Sun Microsystems Inc. ("SUN") and Sun Microsystems Finance Inc. ("SUN Finance") in order to acquire necessary equipment and services contracts to refresh the City's SUN server platform in an amount not to exceed three million six hundred twenty-six thousand five hundred sixty dollars (\$3,626,560); and authorizing the City Manager to execute contracts with third party vendors for equipment and services required to support the refresh of the SUN server platform in an amount not to exceed four hundred thirteen thousand dollars (\$413,000); and authorizing the City Manager to execute a Master Lease-Purchase Agreement and related documents with SUN Finance for financing in an amount not to exceed four million thirty-nine thousand five hundred sixty dollars (\$4,039,560), plus the cost of financing.

---

**SUMMARY**

The Office of Information Technology Division (IT) is requesting the City Council's approval to execute the City of Oakland's (City) Sun Microsystems Inc. (SUN) Server platform Lease Agreement Technology Refresh Clause, which was approved by Council in Resolution 76611, on July 24, 2001. The technology refresh clause provides the City with the option to upgrade, replace, or add equipment after the mid-term of the lease with discounts and on the same terms as similarly situated customers. This option was included in the current lease agreement between the City, SUN, and GE Capital Public Finance Inc. The purpose for including the option was to avoid equipment obsolescence and lack of processing capacity that could negatively impact the existing performance, and future growth of the City's computerized applications.

A resolution has been prepared for City Council approval, which authorizes the City Manager to execute a Master Agreement with SUN and Sun Microsystems Finance Inc. (SUN Finance) in order to acquire necessary equipment and services contracts to refresh the City's SUN Server platform in an amount not to exceed three million six hundred twenty-six thousand five hundred sixty dollars (\$3,626,560); and authorizing the City Manager to execute contracts with third party vendors for equipment and services required to support the refresh of the SUN server platform in an amount not to exceed four hundred thirteen thousand dollars (\$413,000); and authorizing the City Manager to execute a Master Lease-Purchase Agreement and related documents with SUN Finance for financing in an amount not to exceed four million thirty-nine thousand five hundred sixty dollars (\$4,039,560), plus the cost of financing.

Item: 6

Finance and Management Committee  
March 23, 2004

## FISCAL IMPACTS

The refresh of the SUN Server platform will be funded by using the following:

- The annual IT SUN equipment lease budget of \$633,000 in Fund 1010 Organization 46331 (FMA-IT)
- The FY 2003-04 and 2004-05 AS/400 Migration Capital Improvement Program budget of \$515,000
- The FY 2003-04 and 2004-05 Technology Refresh Capital Improvement Program budget of \$641,800

These funds will be used to make annual lease payments to SUN Finance as outlined in **Table 1** below.

The City will enter into a lease contract with SUN Finance to finance the necessary equipment and services. The City will purchase the equipment and services from SUN and third party vendors on behalf of the City from the \$4,039,560, plus costs of borrowing, that will be appropriated. The total amount to be financed (\$4,039,560) includes the purchase of SUN equipment for the CEDA Permits Electronic Data Management System (EDMS). The \$300,000 approved for this purchase by the City Council on January 20, 2004, will be used to fund the AS/Migration project.

**TABLE 1  
LEASE PAYMENT PLAN FOR FISCAL YEARS 2003-04 THROUGH 2008-09**

	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	TOTALS
<b>ANNUAL LEASE PAYMENTS</b>							
<b>Budgeted</b>							
IT SUN Equipment Lease Budget	\$158,250	\$633,000	\$633,000	\$633,000	\$633,000	\$633,000	\$3,323,250
CIP Funds			\$309,996	\$309,996	\$309,996	\$74,247	\$1,004,235
<b>Total</b>	<b>\$158,250</b>	<b>\$633,000</b>	<b>\$942,996</b>	<b>\$942,996</b>	<b>\$942,996</b>	<b>\$707,247</b>	<b>\$4,327,485</b>

**Table 2** below provides a breakdown of the \$4,039,560 to be financed. The breakdown consists of the following:

Item: \_\_\_\_\_  
Finance and Management Committee  
March 23, 2004

1. Items 1, 2, and 3 represents equipment that will be replaced on the existing SUN Enterprise Server platform. The equipment package will provide the City with one new SUN F15000 Server and two SUN V1280 Servers for a total cost of \$3,310,000. The three Sun Server platform will provide processing capacity for the Oracle applications currently in production, the CEDA Permits Electronic Document Management System (EDMS), and the AS/400 Migration. Additional use of the three-server configuration is explained in the *Key Issues and Impact* section of this report.
2. Item 4 includes \$164,753 in sales taxes for those taxable items included in the total equipment package price of \$3,310,000.
3. Item 5 includes a buy out of the existing SUN lease between the City of Oakland and GE Capital Public Finance Inc (GE) for a total amount of \$286,436. This amount will be paid to GE.
4. Item 6 represents a credit to the City of \$134,629 for the balance of the existing SUN maintenance agreement that was financed by GE in the existing SUN lease agreement.
5. Item 7 includes \$100,774 for the acquisition of the necessary communications system equipment to support the installation of the SUN Servers.
6. Item 8 includes \$230,226 for the acquisition of the necessary system management and administration tools to support the monitoring, performance, and security of the SUN Server platform.
7. Item 9 includes a set aside amount of \$82,000 to pay for miscellaneous materials and services to accomplish a turnkey installation.

**TABLE 2  
TECHNOLOGY REFRESH PROJECT COSTS SUMMARY**

Description of Project Equipment	Discount	Costs
<b>SUN Server Equipment (One F15 Server and Two V1280 Servers)</b>		
1. Server Hardware and Software		\$3,153,378.00
	36.67%	(\$1,156,369.00)
<b>Subtotal</b>		<b><u>\$1,997,009.00</u></b>
2. Maintenance Agreement		\$1,783,204.00
	43.70%	(\$779,189.00)
<b>Subtotal</b>		<b><u>\$1,004,015.00</u></b>
3. Installation, Professional Services, and Education		\$308,976.00
<b>Subtotal</b>		<b><u>\$308,976.00</u></b>
<b>SUN EQUIPMENT TOTAL</b>		<b><u>3,310,000.00</u></b>
<b>Taxes, Lease Buy Out, and Credits</b>		
4. Sales Tax @8.25%		\$164,753.00

Item: \_\_\_\_\_

Finance and Management Committee  
March 23, 2004

5.	Buyout of Existing SUN Lease	\$286,436.00
6.	Credit for Existing SUN Maintenance	(\$134,629.00)
	<b>Subtotal</b>	<b>\$316,560.00</b>
<b>SUN EQUIPMENT GRAND TOTAL</b>		<b>\$3,626,560.00</b>
<b>Third Party Equipment</b>		
7.	Communication System (Network Upgrade)	\$100,774.00
8.	System Mgmt/Admin. Tools (Software Licenses)	\$230,226.00
9.	Misc. Materials and Services (Turnkey Installation)	\$82,000.00
	<b>Subtotal</b>	<b>\$413,000</b>
<b>PROJECT EQUIPMENT GRAND TOTAL</b>		<b>\$4,039,560.00</b>

## BACKGROUND

In 1998, the City of Oakland acquired a Compaq Alpha 8200 midrange computer system, which became the production, development, and test machine for the City's Oracle HR/Payroll, Financial Management and Budget applications. At inception in 1999, users began reporting a variety of performance problems with the Oracle application, some of which were directly attributed to the lack of processing capacity of the computer system. The lack of system capacity resulted in problems that included a system-wide slowdown when running payroll and financial jobs concurrently. As a result, Personnel, Finance, and Budget had difficulty meeting their processing deadlines.

By June 2000, the Compaq Alpha system had been significantly upgraded from its original installation configuration to provide faster processing. However, increased demand for processing power far exceeded the improvements achieved and the limitations of the Compaq computer technology prevented any further upgrades.

IT's ability to properly manage the Oracle applications and the Compaq systems environment was also impacted by the lack of processing capacity. Performing maintenance periodically is essential to sustaining the overall health and security of the system. Using the systems management and administration tools that were available was difficult because the system's processing time was being used to meet the users' job processing deadlines.

In July of 2001, Council passed Resolution 76611 in response to the performance issues outlined above. This Resolution authorized the City Manager to negotiate and execute a three-year lease agreement with GE Capital Public Finance Inc. to move the City's Oracle HR/Payroll, Financial, and Budget applications and databases to a new SUN Enterprise Server platform (Model E10000). The SUN E10000 platform allowed IT to realize the following objectives:

- Resolve the Oracle application performance problems
- Improve the overall performance of the system through increased capacity
- Reduce the payroll and financial processing 'runtimes' to allow critical processing deadlines to be met

Item: \_\_\_\_\_  
 Finance and Management Committee  
 March 23, 2004

- Use a lease agreement to finance the acquisition to provide the flexibility needed to avoid equipment obsolescence and lack of computer processing capacity (i.e., Technology Refresh Clause) that had previously led to a system slowdown.
- Position IT to begin the process of upgrading the Oracle applications and databases
- Acquire and keep current system management and administration tools to maintain the overall health of the system and satisfy KPMG audits for implementation of capacity planning, performance, and security measures.
- Install network communications security equipment to protect the City's information assets and to guard against payroll and financial application security breaches

The budget plan included in this report will provide the funding to allow IT to sustain these objectives. The budget plan will also allow IT to meet new objectives to maintain, protect, and grow the City's most mission-critical processing platform. The new objectives are outlined in the project description below.

## **KEY ISSUES AND IMPACTS**

The following issues and impacts were taken into consideration when planning this technology refresh project.

### Server Equipment Capacity for Technology Enhancement Projects

Applications such as HR/Payroll, Financials, and Budget are characterized as "enterprise applications" because they serve a large cross section of City government. The City's successful upgrade to Oracle 11i (i.e. the new and enhanced version of the Oracle e-Business Suite software licenses recently purchased by the City) positions the City to take advantage of the new and enhanced business functions for human resource, payroll, financial, and budget planning and management. Many of the new business features have been designed to improve the integration of the business processes between these applications, which will allow staff to perform their work more efficiently. Additional enterprise applications are planned for implementation, such as the CEDA permits electronic management and tracking system (EDMS). This application will initially service the CEDA agency, but has the potential to service a larger cross section of City departments and agencies. If the City fails to keep its SUN Server platform technology current and provide additional processing capacity and storage space, the initial installation, eventual growth, and consistent performance of these enterprise applications will not be possible.

### Growing Threats to Information Assets

Threats to public and private information assets on a local and national scale are projected to keep pace with the growth in technology. While 'Identity Theft' is most concerning, the City must increase its level of vigilance against different types of breaches in the security of its computer applications and information contained in databases. Not investing in tools that manage and protect our Oracle environment, which is now Internet and Web enabled, would be an invitation to hackers. The technology refresh project will provide the tools needed to protect the City's most critical information assets.

### Recovery of Critical Business Functions

During the first six months of 2003, an extensive analysis was conducted to assess the City's preparedness to recover its critical business functions, such as payroll, financials, budget, and document retrieval, in the case of a major disaster. The analysis identified the Data Center's 8<sup>th</sup> Floor location, document management, and data storage as potential risks to the recovery of critical business functions. IT agrees that these risks exist and proposes a phased approach to mitigate these risks by enhancing its existing IT disaster preparedness program.

The analysis recommended an alternate computing site (a backup Data Center located outside of the Bay Area's seismic zone) that would be used to recover the City's critical business functions. The recommended budgetary cost for an alternate computing site was estimated at a one-time cost of \$300,000 to \$2,500,000 and an annual recurring cost of \$144,000.

Staff recommends an alternate approach that will be accomplished in the following two phases.

- Currently, the City's single SUN Enterprise Server platform is configured to support three process areas: Test, Development, and Production. The server is located in the 150 Frank Ogawa Plaza 8<sup>th</sup> Floor Data Center.
- *Phase 1* will consist of separating these three process areas. The budget plan in this report provides for the immediate implementation of this phase. The Oracle Production and Test process areas will be installed on a new SUN Enterprise Server Model F15000 and located at the Emergency Operations Center (EOC) to take advantage of the 8-point earthquake construction. The Oracle Development process will be installed on two SUN Server Model V1280s and continue to reside in the 8<sup>th</sup> Floor Data Center. IT will develop disaster recovery procedures to utilize this distributed processing configuration to recover the operation of payroll, financial, budget, and document retrieval critical functions in case of a disaster.

In Phase 1, the separation of the Development, Test and Production processes and associated server equipment will be accomplished at no additional cost. The separation will maximize the use of the server capacity that we now dedicate to the development process, whereby making it available to recover critical business functions, should a disaster event take place.

- *Phase 2* will consist of moving the development process and associated SUN Servers to a facility (alternate site) that is located outside of the Bay Area's seismic zone. The budget plan in this report does not include the funding to implement Phase 2. Phase 2 will be implemented if and when Council appropriates the necessary funds. The budget requirements will include: 1) recurring costs to lease space for the alternate site, 2) one time costs for equipment relocation and installation of a high-speed communications line, and 3) the recurring costs for the lease of the high-speed communications line that would link the EOC with the alternate site location.

Item: \_\_\_\_\_

Finance and Management Committee  
March 23, 2004

To complete Phase 2, IT estimates a one-time cost of \$150,000 for equipment relocation and installation of a high-speed communications line, a recurring cost of \$144,000 for the lease of the line, and \$120 to \$250 per square foot for floor space to relocate the development servers (the two SUN V1280 Servers) to an alternate site. According to a joint study by Lehman Brothers and Cushman & Wakefield, which examined telecom/data center capacity for the top 30 U.S. markets, operator lease rates for existing real estate for this purpose range from \$120 to \$250 per square foot. IT estimates that approximately 100 square feet will be needed for the development servers, which at a median cost of \$185, amounts to a yearly budget of \$222,000. **Table 3** below summarizes the budgetary cost to accomplish the IT Phase 1 and 2 disaster preparedness approach outlined above.

**TABLE 3  
IT DISASTER PREPAREDNESS PHASED APPROACH COST ESTIMATE**

Estimate	One-Time Low Estimate	One-Time High Estimate	Annual Recurring Costs
Consultant Recommendation	\$300,000	\$2,500,000	\$144,000
Oakland			
Phase 1	\$0	\$0	\$0
Phase 2	\$150,000	N/A	\$366,000

The analysis also recommended the implementation of an Enterprise Electronic Document Management System (EDMS), a single application/system that provides document management for all City agencies and departments, to protect the City's legal, administration, business, property (utility and building infrastructure and plans) and other critical function documents. IT supports this recommendation and has included processing capacity for the implementation of a new Enterprise EDMS application that will initially be used by the CEDA agency for permit document tracking. Studies indicate that fires, hazardous material accidents, water damage from breaks in building plumbing systems, are of a greater threat to loss of documents than an earthquake.

## PROJECT DESCRIPTION

### Purpose

The purpose of this project is to execute the SUN lease agreement's technology refresh option. This option will keep the City current in its computer technology capabilities, thereby avoiding the technology obsolescence experienced by the City with the outdated IBM AS/400 computer. The technology refresh project will provide additional processing capacity (horsepower) to implement new enterprise applications (i.e. EDMS), as well as facilitate the move of existing applications from the City's outdated computer system.

### Goals and Objective

The technology refresh project will accomplish the following goals and objectives:

- Add SUN system processing and storage capacity (horsepower) to support the move of AS/400 applications to the SUN system
- Add SUN system processing capacity and storage (horsepower) to support the implementation of the Enterprise EDMS application. EDMS will support document tracking for the CEDA Permits System as well as document management for other City agencies and departments in the future
- Upgrade and add system management and administration software tools to effectively monitor, control, and maintain consistent application (Oracle, AS/400, EDMS, and other enterprise applications) performance
- Add new capacity planning and change management tools to consistently comply with the KPMG information technology audit recommendations
- Install additional security software tools to protect the City's information assets from the growing threat of electronic break-ins
- Begin building a disaster recovery process and infrastructure that is cost effective and utilizes the City's existing computing capacity and experienced IT staff to implement and maintain.

### Implementation Plan

The technology refresh project will take six weeks to complete. IT will use the same scope of work with minor modifications that was used to implement the current SUN lease agreement. This implementation was very successful. It was completed on time, without problems, and within budget.

### SUSTAINABLE OPPORTUNITIES

**Economic:** Third party products and services purchased from local vendors will provide positive, direct economic opportunities for the City. IT will work with local vendors to maximize their opportunity to perform services and supply products to accomplish the technology refresh.

**Environmental:** The hardware components associated with the technology refresh will be energy efficient, state-of-the-art products. Every effort will be made to select environmentally preferred products.

**Equity:** The implementation of the technology refresh will preserve and keep current the City's computer processing technology, guard against increasing security threats, and provide additional processing capacity for new enterprise application implementations.



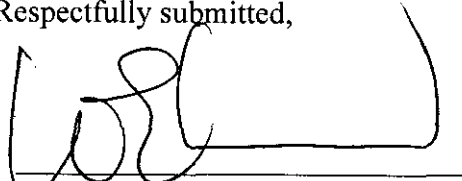
**DISABILITY AND SENIOR CITIZEN ACCESS**

The technology refresh project will allow the City to implement applications that increase services to all Oakland residents, including those with disabilities and older Americans.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff requests the City Council's approval of a resolution that authorizes the City Manager to execute a Master Agreement with Sun Microsystems Inc. and Sun Microsystems Finance Inc. in order to acquire necessary equipment and services contracts to refresh the City's SUN server platform in an amount not to exceed three million six hundred twenty-six thousand five hundred sixty dollars (\$3,626,560); and authorizing the City Manager to execute contracts with third party vendors for equipment and services required to support the refresh of the SUN server platform in an amount not to exceed four hundred thirteen thousand dollars (\$413,000); and authorizing the City Manager to execute a Master Lease-Purchase Agreement and related documents with Sun Microsystems Finance Inc. for financing in an amount not to exceed four million thirty-nine thousand five hundred sixty dollars (\$4,039,560), plus the cost of financing.

Respectfully submitted,

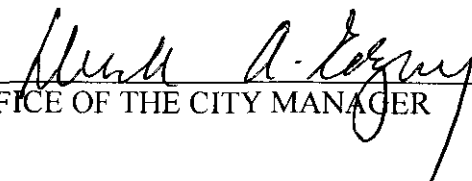


**William E. Noland, Interim Director  
Finance and Management Agency**

Prepared by:

- Ken Gordon, Project Manager III
- Sam Thomas, Information System Supervisor
- Francis Rolle, Database Administrator
- Andrew Hopkins, Project Manager II

APPROVED AND FORWARDED TO THE  
FINANCE AND MANAGEMENT COMMITTEE

  
OFFICE OF THE CITY MANAGER

Item: 6  
Finance and Management Committee  
March 23, 2004

  
CITY ATTORNEY

## OAKLAND CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_ C.M.S.

INTRODUCED BY COUNCIL MEMBER \_\_\_\_\_

---

**RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A MASTER AGREEMENT WITH SUN MICROSYSTEMS INC. ("SUN") AND SUN MICROSYSTEMS FINANCE INC. ("SUN FINANCE") IN ORDER TO ACQUIRE EQUIPMENT AND NECESSARY SERVICES CONTRACTS TO REFRESH THE CITY'S SUN SERVER PLATFORM IN AN AMOUNT NOT TO EXCEED THREE MILLION SIX HUNDRED TWENTY-SIX THOUSAND FIVE HUNDRED SIXTY DOLLARS (\$3,626,560); AND AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACTS WITH THIRD PARTY VENDORS FOR EQUIPMENT AND SERVICES REQUIRED TO SUPPORT THE REFRESH OF THE SUN SERVER PLATFORM IN AN AMOUNT NOT TO EXCEED FOUR HUNDRED THIRTEEN THOUSAND DOLLARS (\$413,000); AND AUTHORIZING THE CITY MANAGER TO EXECUTE A MASTER LEASE-PURCHASE AGREEMENT AND RELATED DOCUMENTS WITH SUN FINANCE FOR FINANCING IN AN AMOUNT NOT TO EXCEED FOUR MILLION THIRTY-NINE THOUSAND FIVE HUNDRED AND SIXTY DOLLARS (\$4,039,560), PLUS THE COST OF FINANCING**

**WHEREAS**, the City of Oakland (City) desires to execute the Technology Refresh Clause of the contract and lease agreement that was executed between the City, GE Capital Public Finance Inc., and Sun Microsystems Inc. on July 27, 2001 and approved by the City Council on July 24, 2001; and,

**WHEREAS**, the technology refresh clause provides the City with the option to upgrade, replace, or add equipment after the mid-term of the lease with discounts and on the same terms as similarly situated customers; and

**WHEREAS**, the City must execute the technology refresh to avoid equipment obsolesces and lack of processing capacity that could negatively impact the performance and growth of the City's Oracle applications and other emerging applications designed to provide services to all city agencies and departments; and

**WHEREAS**, Sun has demonstrated that it can provide the necessary equipment and services and has the qualifications and technical experience to perform the technology refresh; and,

6

**FINANCE & MANAGEMENT CMTE.**

**MAR 23 2004**

**WHEREAS**, in accordance with Charter section 902(e), the City Council finds that because of the financial savings the City will realize from Sun, it is in the public interest to purchase the equipment and services necessary to perform the technology refresh directly from Sun;

**WHEREAS**, the City must purchase third party equipment and services to support SUN's performance of the technology refresh to ensure a turnkey installation; and,

**WHEREAS**, the City of Oakland will request informal competitive bid quotations from third party vendors to purchase the third party equipment and services to support SUN's performance of the technology refresh; and,

**WHEREAS**, the City will provide local vendors maximum opportunity to bid on the third party equipment and services; and,

**WHEREAS**, City Council desires to finance the equipment and services to be provided by Sun through a lease from Sun Microsystems Finance, Inc. ("Sun Finance"); and

**WHEREAS**, City Council finds that the services provided pursuant to the agreement authorized hereunder are of a professional and specialized nature;

**NOW THEREFORE**, the City Council of the City of Oakland hereby finds, determines, declares and resolves as follows:

**Section 1.** The proposed form of Master Agreement by and among the City, Sun and Sun Finance, on file with the City Clerk, is hereby approved. The City Manager, the Director of the Finance and Management Agency or the Treasury Manager, or a designee of any such official, is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver, Master Agreement, substantially in such form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution thereof; provided, however, that term of the Master Agreement shall not exceed five (5) years; and the aggregate principal amount of the Master Agreement shall not exceed \$4,039,560.

**Section 2.** The proposed form of Master Lease-Purchase Agreement by and between the City and Sun Finance, on file with the City Clerk, is hereby approved. The City Manager, the Director of the Finance and Management Agency or the Treasury Manager, or a designee of any such official, is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver, Master Lease-Purchase Agreement, substantially in such form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution thereof; provided, however, that interest rate on the Master Lease-Purchase Agreement shall not exceed 4%, the term of the Master Lease-Purchase Agreement shall not exceed five (5) years; and the aggregate amount to be paid pursuant to the terms of the

Master Lease-Purchase Agreement shall not exceed \$4,039,560, plus the cost of financing.

**Section 3.** The proposed form of Escrow Agreement, by and between the City, and an escrow agent to be selected by the City Manager, the Director of the Finance and Management Agency or Treasury Manager, or a designee of any such official, on file with the City Clerk, is hereby approved. The City Manager, Director of the Finance and Management Agency or Treasury Manager, or a designee of any such official, is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver, in connection with each Lease, an escrow agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 4.** The City Manager, Director of the Finance and Management Agency, Treasury Manager and other appropriate officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents and certificates which they deem necessary or advisable in order to consummate the execution and delivery of the documents mentioned herein and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby, including, but not limited to, entering into agreements and allocating funds to third party vendors for the services, software, and tools required to implement the acquisition of the Sun equipment and services; and executing related Sun documents for the implementation of its services including, but not be limited to, a Products and Services Agreement, a Maintenance Agreement and Statement of Work.

**Section 5.** The City Council hereby authorizes the City Manager or her designee to approve any subsequent amendments to or extensions of said Agreements with the exception of those related to an increase in the contract price or the allocation of additional funds provided that such amendments or extensions shall be filed with the City Clerk's office.

**Section 6.** Proceeds of the sale of the Leases may be invested in any Permitted Investment set forth in the Escrow Agreement, including but not limited to the State of California Local Agency Investment Fund or any other investment in accordance with the City's then-current Investment Policy.

**Section 7.** Pursuant to Oakland Municipal Code Section 2.04.050I subsections 1, 2 and 5, the City Council finds and determines that (a) the services are professional and specialized, (b) calling for formal bids is impractical, and (c) it is in the best interests of the City to waive the formal bid requirements for the purchase of vehicles the services, software, hardware and equipment as described in this resolution.

**Section 8.** The City Manager is authorized to informally bid and award contracts for the purchase of equipment which cannot be obtained through cooperative contracts in place with other governmental agencies.

**Section 9.** All actions heretofore taken by the officers and agents of the City Council with respect to the transactions contemplated hereby are hereby ratified, confirmed and approved.

**Section 10.** This Resolution shall take effect immediately upon its passage.

**IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2004**

**PASSED BY THE FOLLOWING VOTE:**

**AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, WAN AND  
PRESIDENT DE LA FUENTE**

**NOES-**

**ABSENT-**

**ABSTENTION-**

**ATTEST: \_\_\_\_\_**

**CEDA FLOYD  
City Clerk and Clerk of the  
Council of the City of Oakland,  
California**

SUPPORTING DOCUMENTATION FOR  
MASTER AGREEMENT AMONG THE  
CITY OF OAKLAND, SUN  
MICROSYSTEMS, INC., AND SUN  
MICROSYSTEMS FINANCE, INC.

---

THESE DOCUMENTS ARE ON FILE  
AND AVAILABLE FOR REVIEW AT THE  
OFFICE OF THE CITY CLERK  
AND ARE AVAILABLE ON LINE AT  
[www.oaklandnet.com](http://www.oaklandnet.com)

Location of Office:

Office of the City Clerk  
1<sup>st</sup> Floor, Records Section  
One Frank Ogawa Plaza  
Oakland, Ca. 94612

Office Hours 8:30 A.M. – 5:00 P.M.  
Closed During Lunch Hour (12:00 P.M. – 1:00 P.M.)