



City Attorney

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2015 OCT -1 PM 2:48

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION:

1. AUTHORIZING THE CITY ADMINISTRATOR OR DESIGNEE TO EXECUTE A MASTER LEASE AGREEMENT(S) WITH IBM CREDIT LLC FOR FINANCING NOT TO EXCEED AN AMOUNT OF \$17,000,000, A TERM OF 7 YEARS AND AN INTEREST RATE OF 3.5% TAX EXEMPT AND/OR 5.5% TAXABLE; AND WAIVING COMPETITIVE SELECTION REQUIREMENTS FOR THE FINANCING AGREEMENT(S).

PROCEEDS OF THE FINANCING TO FUND:

- (A) CURRENT INFORMATION TECHNOLOGY SYSTEMS OPERATIONS AND MAINTENANCE; AND
- (B) PROJECT TO UPGRADE/IMPLEMENT THE ORACLE SYSTEMS INCLUDING HARDWARE, SOFTWARE, PROFESSIONAL SERVICES, SUPPORT AND MAINTENANCE; AND
- (C) PROJECT TO IMPLEMENT A NEW MUNICIPAL BUDGETING SYSTEM INCLUDING HARDWARE, SOFTWARE, PROFESSIONAL SERVICES, SUPPORT AND MAINTENANCE; AND
- (D) PROJECT TO REPLACE AND IMPROVE 9-1-1 PUBLIC SAFETY SYSTEMS INCLUDING HARDWARE, SOFTWARE, PROFESSIONAL SERVICES, SUPPORT AND MAINTENANCE.

2. APPROVING THE RECOMMENDATIONS OF THE CITY ADMINISTRATOR FOR THE AWARD OF CONTRACTS TO PROVIDE PROFESSIONAL SERVICES TO UPGRADE/IMPLEMENT THE ORACLE SYSTEMS AND TO IMPLEMENT A NEW MUNICIPAL BUDGETING SYSTEM (PROJECTS 1(B) AND 1(C) ABOVE) BASED ON THE RESULTS OF THE COMPETITIVE SELECTION PROCESS; AND AUTHORIZING THE CITY ADMINISTRATOR OR DESIGNEE TO NEGOTIATE AND ENTER INTO PROFESSIONAL SERVICES CONTRACTS WITH THE APPROVED FIRMS.

WHEREAS, the City's information technology infrastructure is the underlying foundation that ties multiple departments and agencies together and that provides mission-critical tools to the City workforce; and

WHEREAS, OMC Section 2.04.050 requires advertising and competitive bidding for contracts for the purchase of supplies, equipment, and computer software and the award to the lowest responsible, responsive bidder if award is made; and

WHEREAS, OMC section 2.04.051 requires a competitive request for proposals or request for qualifications selection process for award of contracts that exceed \$25,000 for professional service contracts and which are exempt from bidding under Section 2.04.050.1.1; and

WHEREAS, OMC sections 2.04.050.1.5 and 2.04.051.B permit the City Council to waive advertising, competitive bidding and the request for proposals/qualifications processes upon finding that it is in the City's best interest to do so; and

WHEREAS, staff recommends that it is in the City's best interests to waive competitive bidding, advertising and the request for proposals/qualifications process requirements for the master lease agreement(s) and contracts and services related to the financing due to the unique and complex aspects of the master lease agreement, immediate need for funding and past cost effective and efficient financings with IBM Credit LLC per Resolution 84579 C.M.S.; and

WHEREAS, the appropriation of said financed funds is necessary to operate, maintain and support ongoing systems; to fund the ongoing project to upgrade/implement the Oracle systems; to fund the project to provide a municipal budgeting system; and to provide seed money for the ongoing project to replace and improve the 9-1-1 public safety systems; and

WHEREAS, the City is critically dependent on various Oracle systems to provide financials, procurement, payroll, human resources and other vital systems; and

WHEREAS, the vendor support for the version of the Oracle systems currently in use by the City expires in December 2016 and thus upgrading and implementing the latest Oracle systems is critical to the ongoing operations of the City; and

WHEREAS, the City's current public sector budgeting system is obsolete and is no longer supported by Oracle, and will not be compatible with the Oracle systems upgrade. The new system must be in place before December 2016 to facilitate the next full budget cycle; and

WHEREAS, replacing and improving the City's 9-1-1 public safety systems will greatly enhance the safety of both citizens and first responders and will greatly reduce the current risk of catastrophic failure to the existing, aging 9-1-1 public safety infrastructure; and

WHEREAS, the City has conducted requests for proposals and competitive selection processes for the Oracle upgrade/implementation project and the public sector budgeting system project; and

WHEREAS, the City received proposals for system integration consulting services for the implementation of the Oracle Infrastructure, and following a thorough evaluation process, selected and recommends BIAS Corporation; and

WHEREAS, the City received proposals for system integration consulting services for implementation of the new municipal budgeting system and, following a thorough evaluation process, selected and recommends ~~{Applications Software Technology Corporation/Questica Inc./Sherpa Government Solutions LLC}~~; and

WHEREAS, the City received proposals for system integration consulting services for upgrade/implementation of the Oracle E-Business Suite (“EBS”) system and, following a thorough evaluation process, selected and recommends ~~{Applications Software Technology Corporation/BIAS Corporation/IBM Corporation}~~; now therefore be it and

WHEREAS, the City received proposals for consulting, project management and functional design services for the implementation of the Oracle infrastructure, Oracle EBS system and municipal budgeting system and following a thorough evaluation process, selected and recommends Horizon Projects Consulting Corp.; now therefore be it

RESOLVED, that the City Council finds and determines the forgoing recitals to be true and correct and hereby adopts and incorporates them into this Resolution; and be it

FURTHER RESOLVED, that the City Administrator or designee is authorized without returning to the City Council to negotiate and execute the Master Lease Agreement(s), Payment Schedule(s), Escrow Agreement(s) and all documents necessary and related to financing with IBM Credit LLC in an amount not to exceed \$17,000,000, for a term of not more than 7 years and an interest rate not to exceed 3.5% tax exempt and/or 5.5% taxable; and be it

FURTHER RESOLVED, that pursuant to the Oakland Municipal Code Sections 2.04.050 I.5 and 2.04.051.B and for the reasons stated above and in the report accompanying this item, the City Council hereby finds and determines that it is in the best interests of the City to waive the competitive bidding, advertising and the request for proposals/qualifications process requirements for the contracts related to the financing agreement(s); and be it

FURTHER RESOLVED, that the proceeds of the Financing shall be used to fund:

- (A) One year of information technology operations, maintenance and support; and
- (B) The upgrade/implementation of the Oracle systems including hardware, software, professional services, support and maintenance; and

- (C) The implementation of a new municipal budgeting system including hardware, software, professional services, support and maintenance; and
- (D) The replacement and improvement of the City's 9-1-1 public safety systems including hardware, software, professional services, support and maintenance; and be it

FURTHER RESOLVED, that, based on the recommendations of the City Administrator resulting from the competitive selection process, the City Council approves awards of contracts to provide system integration consulting services to BIAS Corporation for Oracle infrastructure, to ~~{Applications Software Technology Corporation/Questica Inc./Sherpa Government Solutions LLC}~~ for the municipal budgeting system, and to ~~{Applications Software Technology Corporation/BIAS Corporation/IBM Corporation}~~ for the Oracle EBS system and consulting, project management and functional design services to Horizon Projects Consulting Corp. for the Oracle infrastructure, municipal budgeting system and Oracle EBS systems, and authorizes the City Administrator or designee to negotiate and enter into contracts with the above firms; and be it

FURTHER RESOLVED, that, consistent with standard procedure, should the City and selected firms not be able to reach an agreement as to contract terms within a reasonable timeframe, Council authorizes the City Administrator or designee to negotiate and enter into contracts with the firm(s) deemed to be the next most qualified in the competitive selection process; and be it

FURTHER RESOLVED, that the Office of the City Attorney will approve the contracts as to form and legality and copies will be on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2015

PASSED BY THE FOLLOWING VOTE:

AYES – BROOKS, GALLO, GUILLEN, KALB, KAPLAN, REID, WASHINGTON, AND PRESIDENT MCELHANEY

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____
 LaTonda Simmons
 City Clerk and Clerk of the Council
 of the City of Oakland, California

12

MEETING OF THE
 OAKLAND CITY COUNCIL

OCT 06 2015