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OFFICE OF THE CITY CLERK  
OAKLAND  
2015 SEP 25 AM 8:50

# AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**SUBJECT:** IT Projects & Financing  
(Supplemental)

**FROM:** Katano Kasaine  
Treasurer & Interim CIO

**DATE:** September 21, 2015

City Administrator Approval

Date:

9/24/15

## RECOMMENDATION

Staff Recommends That The City Council Approve A 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 seven 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 will fund:

- A. Fiscal Year 2015-16 Operations and Maintenance for information technology systems; and
  - B. Upgrading/implementing the Oracle systems including hardware, software, professional services, support and maintenance; and
  - C. Implementing a new municipal budgeting system including hardware, software, professional services, support and maintenance; and
  - D. Commencing replacement and improvement of 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.

## REASON FOR SUPPLEMENTAL OR REPLACEMENT

At the Finance and Management Committee (the "Committee") meeting on September 15, 2015, the Committee directed staff to provide additional information in a supplemental report to address key questions concerning the Oracle upgrade/re-implementation.

Item: \_\_\_\_\_  
Finance Committee  
September 29, 2015

### ***Why upgrade/reimplement with Oracle?***

In 1999 the City bought its entire financial and payroll software application infrastructure from Oracle. The City's Oracle E-Business Suite ("EBS") applications were last upgraded in 2007 to Release 11.5.10 ("11i"). 11i has since reached its end-of-life cycle and was de-supported by Oracle in December 2014. Oracle has allowed the City one final extension of support which expires in December of 2016. The City must upgrade its Oracle EBS applications to R12 before December 2016 to continue critical operations in payroll processing, financial management, and reporting. If the City chooses not to upgrade, an extensive RFP process will be required which would take at least a year to reselect a new financial and payroll system from one of multiple vendors on the market. Beyond the selection process, the City will then require an additional two to three years to re-implement the new software resulting in the City uprooting and replacing the Oracle suite of products at a cost significantly higher than what is being requested. Knowing the pains the City experienced in 1999, this has to be fully thought out and planned to avoid cost overruns or failure. While the RFP process for new software is being selected, the City will be left in a perilous situation of trying to process payroll and conduct City business on an unsupported platform. In upgrading the system now, the City is looking to remove a significant amount of the custom processes that were built-in (in 1999) and use pure standard functionality positioning the City to be able to adopt potentially less expensive alternatives in the next upgrade cycle, which is at least seven to eight years out.

### ***How will the City, its departments, and staff benefit from the Oracle upgrade/reimplementation?***

In upgrading the Oracle's suite of software products, the City will migrate to a supported environment through 2021. With the upgrade, the City departments and users will be able to eliminate a significant amount of the paper processes that are currently in place. Invoice payments, for example, will be automated thus, eliminating the manual approval processes currently in place (satisfying the prompt payment requirements). City staff will be positioned to enroll in benefits via Self Service, reducing the labor constraints of the HR & Payroll Departments. Additionally, the City will be able to track and manage grants in an automated manner providing greater transparency and eliminating all the manual processes associated with the effort. Finally, the upgrade will provide the City reporting tools that will both provide necessary financial and operational reports with improved data quality and efficiency, and be able to significantly reduce the time required for staff to produce these reports.

### ***Which firms are recommended for contract award and why?***

With the support of the Contracts and Compliance Division and in accordance with the City's competitive selection process requirements, the Information Technology Department (the "ITD") issued several requests for proposals ("RFP") for professional services in relation to the Oracle R12 upgrade/implementation and municipal budgeting system. The proposers were evaluated by a panel, including both internal and external evaluators, on criteria including the firm's qualifications, professionals' expertise, relevant experience, project approach, and references. Based on the results of the competitive selection process, BIAS Corporation ("BIAS") is recommended for Oracle EBS and infrastructure and Applications Software Technology Corporation ("AST") for the municipal budgeting system. In addition, the City hired Horizon Projects Consulting Corp. ("Horizon") to provide consulting services for system assessment,



design, and RFPs and serve as an independent Project Manager for the three projects. Following are brief descriptions of the firms selected and recommended for contract award.

- **System Integrator for Oracle E-Business Suite & Oracle Infrastructure – BIAS:**

BIAS is an elite Oracle Platinum-level Partner, headquartered in various cities in the U.S. and India. Since 2000, BIAS has built its business providing solutions across IT design, implementation, and management services for some of the world's leading organizations leveraging Oracle technology.

BIAS has provided support to U.S. Federal, State, and Local Government agencies. BIAS' public sector clients include Riverside County, City of Chicago, City of Denver, New York Housing Authority, Federal Aviation Administration, and U.S. Department of Justice.

- **System Integrator for Budgeting System – AST:**

For over 20 years, AST has successfully delivered tangible benefits to municipal government clients by leveraging its extensive Oracle and Hyperion Planning experience. AST's customer base includes more than 100 Oracle and Hyperion Planning projects across the U.S. The firm provided services to several of the largest state and local governments in the U.S. including the States of California, New York, and Florida, as well as the cities of Chicago, Detroit, Atlanta, and the District of Columbia.

- **Project Manager, System Design, and Consulting Services – Horizon:**

Horizon was founded in June 2010 as a software management consultation company providing business and technology consulting services to global organizations. Horizon has managed, identified, and created detailed solutions within the Oracle Enterprise Resource Planning ("ERP") Suite for clients such as Parsons Brinckerhoff, Bettis Atomic Power Laboratory, Southern Power, National Renewable Energy Laboratory, Integrated Medical System, Huawei (Shenzhen, China), and Marsh & McLennan Companies.

Horizon brings the following qualifications and expertise to the City of Oakland:

- Total of five successful Oracle R12 implementations;
- Led the successful implementation of five large complex Oracle Projects Modules including Project Management, Project Costing, Project Billing, Oracle Time & Labor, Oracle Resource Management;
- Horizon's leadership team has a combined 33 years of business and technology experience at IBM, PricewaterhouseCoopers L.L.P., Oracle Consulting, and Andersen Consulting; and
- 17 years of technical and functional experience in implementing Enterprise

**Please note that the award of contracts to the firms listed above is conditional on agreement as to contract terms within a reasonable timeframe.**

At the Finance and Management Committee meeting of September 15, 2015, staff presented a briefing which is provided as **Attachment A**: IT Briefing for Finance Committee.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff requests that the City Council approve a resolution:

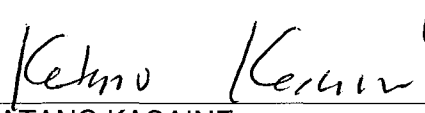
1. Authorizing the City Administrator or designee to execute a master lease agreement(s) with IBM Credit LLC for financing not to exceed an amount of \$17,000,000, a term of 7 years and an interest rate of 3.5% tax exempt and/or 5.5% taxable; and waiving competitive selection requirements for the financing agreement(s).

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For questions regarding this report, please contact Katano Kasaine, Treasurer & Interim CIO, at (510) 238-2989.

Respectfully submitted,



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KATANO KASAINÉ  
Treasurer, Treasury Bureau &  
Interim CIO, Information Technology Dept.

Reviewed by:

Ahsan Baig  
Division Manager, Public Safety Services

Myron Lai  
Oracle Project Manager

Prepared by:

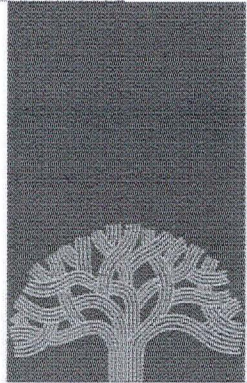
Kirke Curtis, Project Manager  
Public Safety Services

Jackie Lee, Financial Analyst  
Treasury Bureau

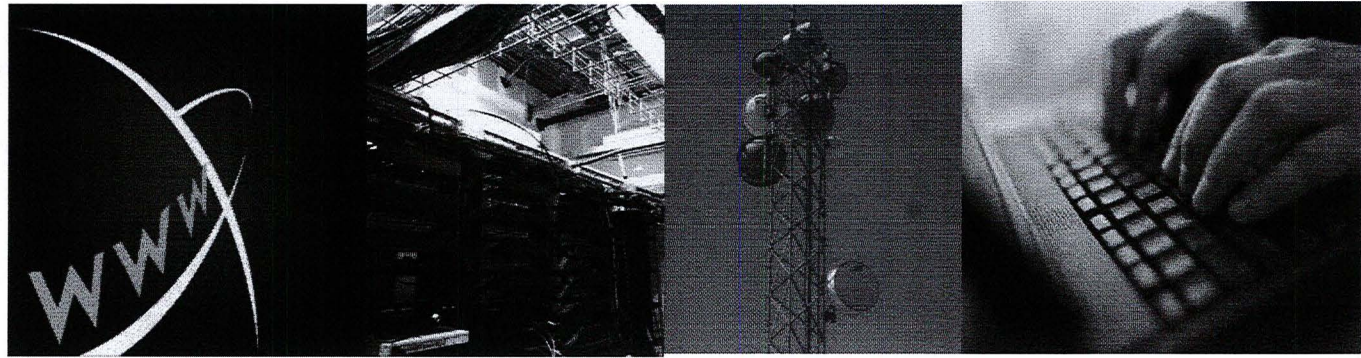
Attachments (1):

A: IT Briefing for Finance Committee





City of  
**OAKLAND**  
California

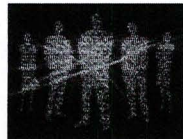


## Information Technology Financing For

- 9-1-1 Public Safety Systems,
- Municipal Budgeting System,
- Oracle Upgrade/Implementation, and
- IT Operations & Maintenance

City Council  
Finance Committee Meeting – 09/15/2015

*Information Technology Department*



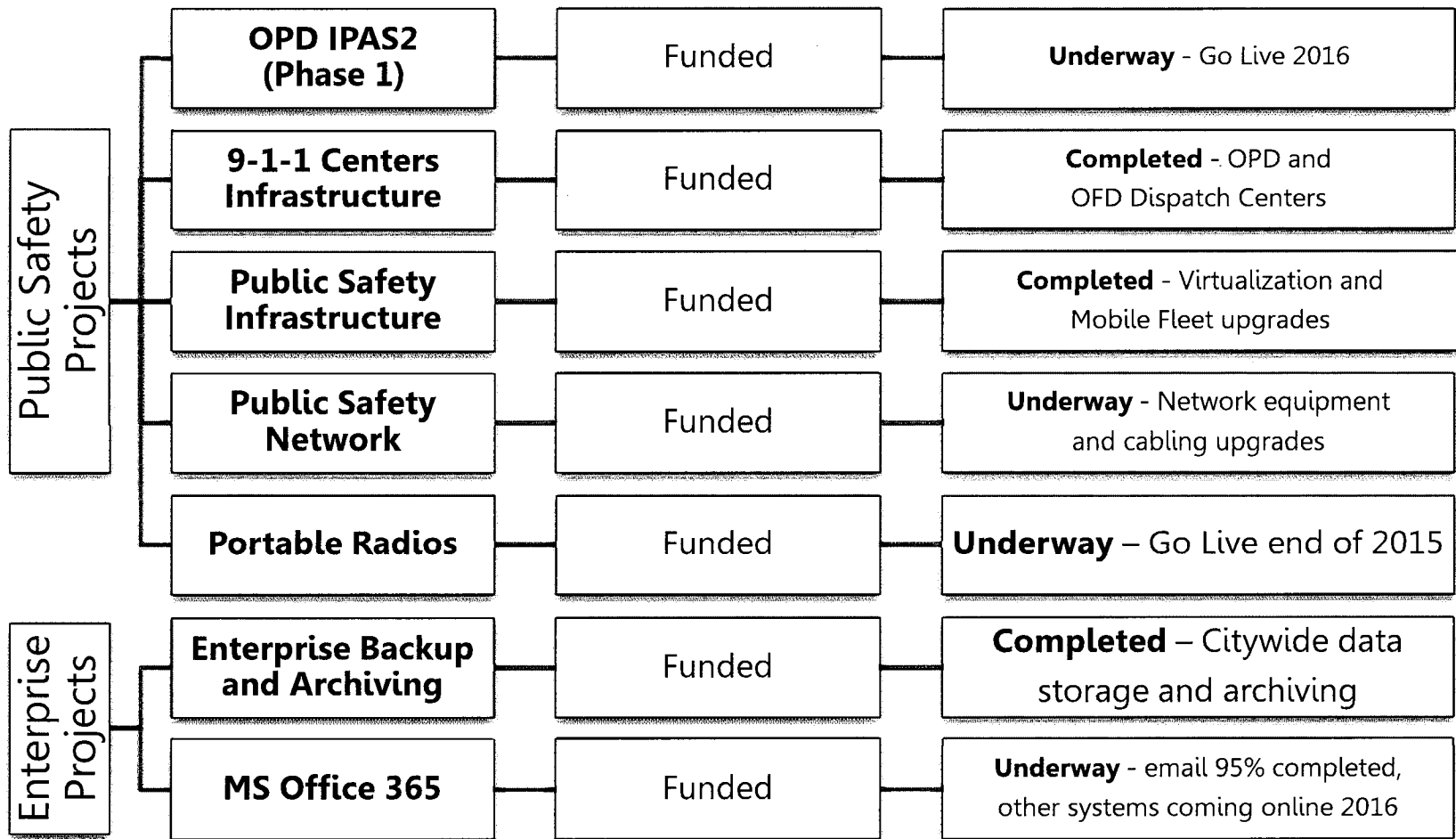


# Agenda

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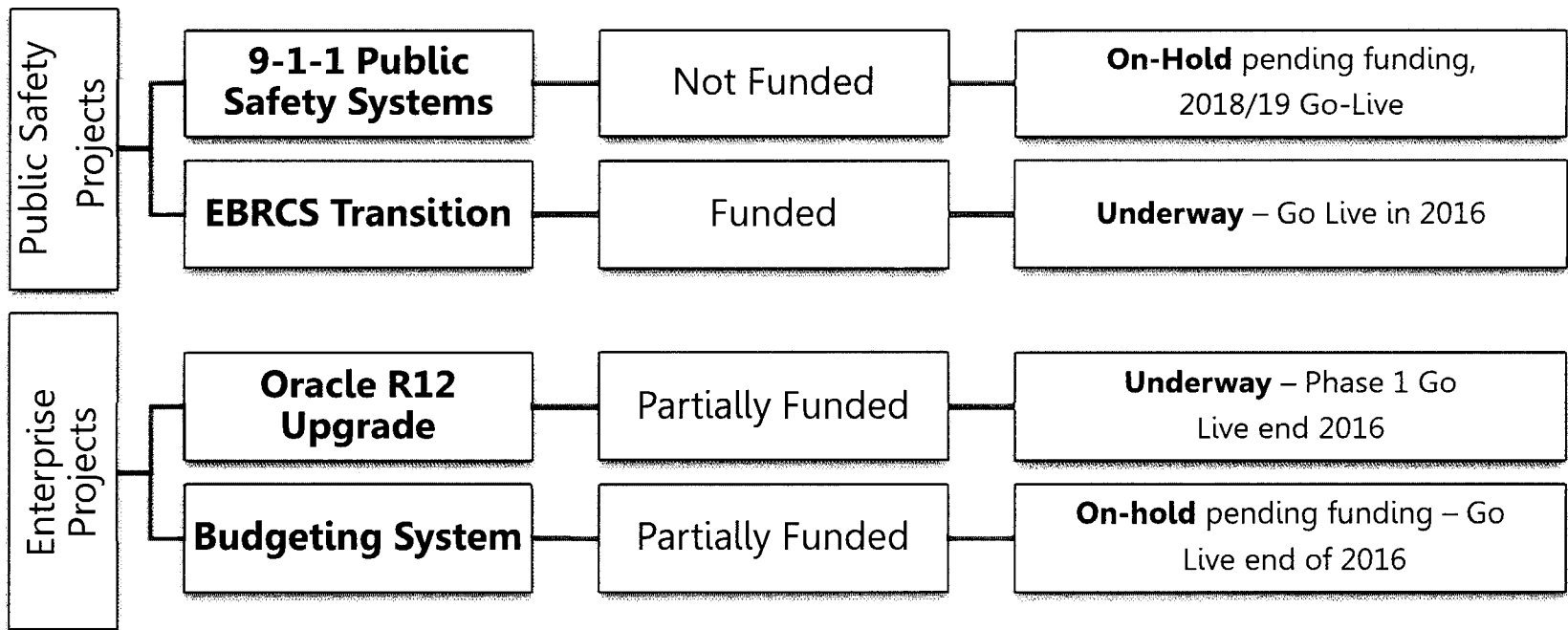
- IT Projects
- Operations & Maintenance
- 9-1-1 Public Safety System
- Municipal Budgeting System
- Oracle EBS & Infrastructure Project
- Master Lease Financing
- Next Steps

# Current Projects Update

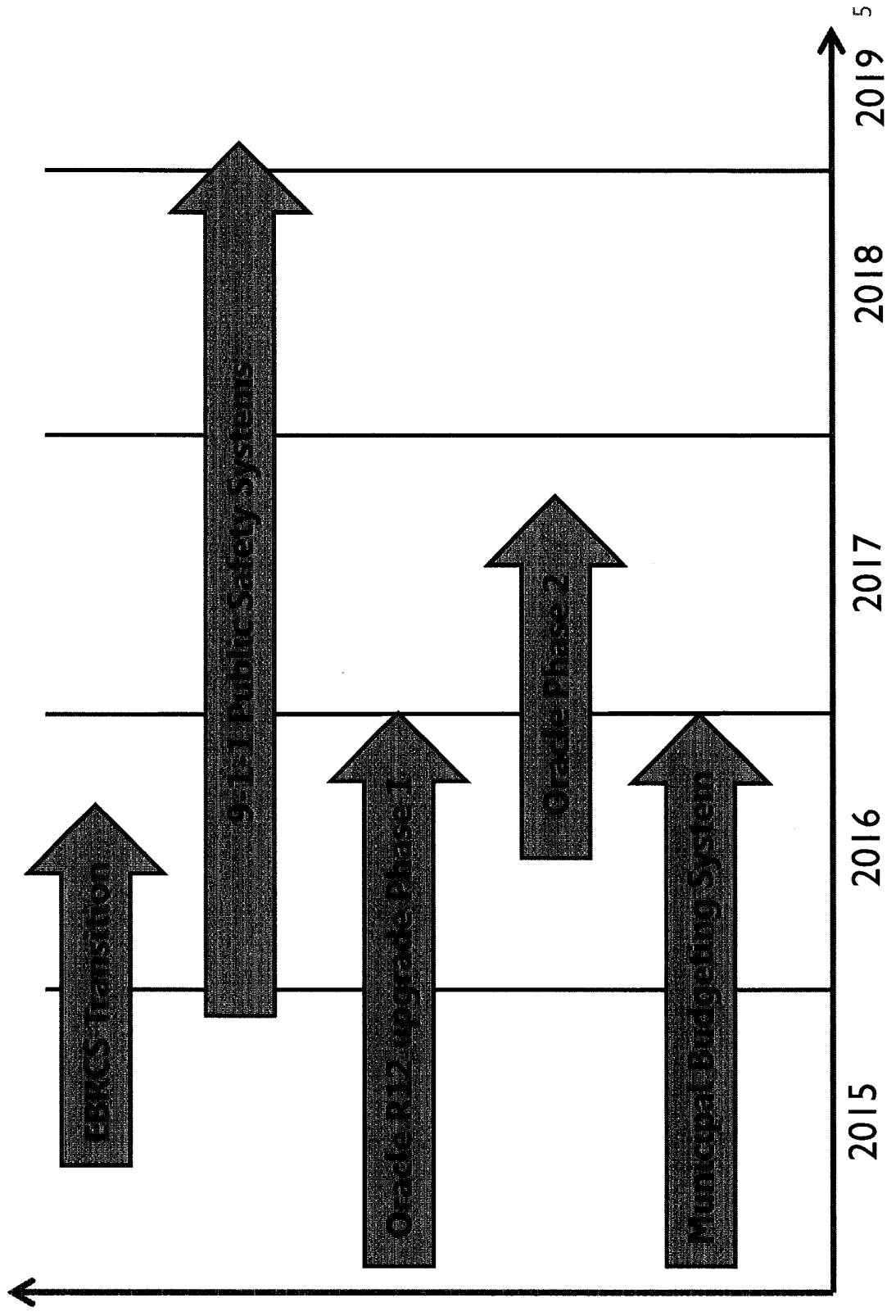




# Status Major IT Projects



# Estimated Timelines For Open Projects





# Operations & Maintenance

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- SCOPE
  - Current obligations for on-going annual software license, hardware warranty , and professional services for mission critical and business essential IT systems support and maintenance
- RISKS
  - Unavoidable cost associated with keeping-up the IT systems
  - A smaller failure in a non-supportive hardware/software solution would result in non-repairable damage and higher costs
  - No Technology Refresh funds
- COSTS (estimated)
  - \$6.45M total
- Next Steps
  - Establish internal service fund in fiscal year 2016-2017 to fund this operation and maintenance. To the extend that this does not happen, the City will have to come up with one time dollars to fund Operation and Maintenance





# 9-1-1 Public Safety Systems

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- SCOPE
  - *Integrated* 9-1-1 Computer Aided Dispatch (CAD), Records Management System (RMS), Mobile/Automatic Vehicle Location (AVL), Field-Based Reporting (FBR), Fire Station Alerting and Crime Data Warehouse
- RISKS
  - Current system largely obsolete and experiencing frequent “minor” failures
  - A major failure would result in unacceptable risks to public safety personnel and to citizens
- COSTS (estimated)
  - \$12.0M total – current ask of \$2.0M
- PROGRESS-TO-DATE
  - 313-page RFP developed, issued, 4 responses received
  - Will return to Council to award and seek additional funding



# Municipal Budgeting System

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- SCOPE
  - Municipal budget development system and system integration
- RISKS
  - Current budgeting system is obsolete and incompatible with Oracle EBS R12
  - Absent a new budgeting system, it is unfeasible to manually develop the City's budget
- COSTS (estimated)
  - \$1.0 million. Available funding: \$0.45 million, seeking additional dollars
- PROGRESS-TO-DATE
  - RFP issued, 8 proposals evaluated, 3 firms interviewed, firm to be recommended to Council for contract award



# Oracle Systems - Background

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- The City's Oracle EBS was last upgraded in 2007 to 11i
- 11i has reached its end-of-life cycle and was de-supported by Oracle in 2014
- The City was unable to complete the initial R12 upgrade attempt in 2013-14
- Oracle has granted a second and FINAL extension of support which expires in December 2016
- Unsupported, the environment is unstable and day-to-day operations are vulnerable to disruption
- Horizon Projects Consulting was hired to assess prior work, issue RFPs, system design and lead project management for entirety of the upgrade



# Assessment Summary

## BACKGROUND

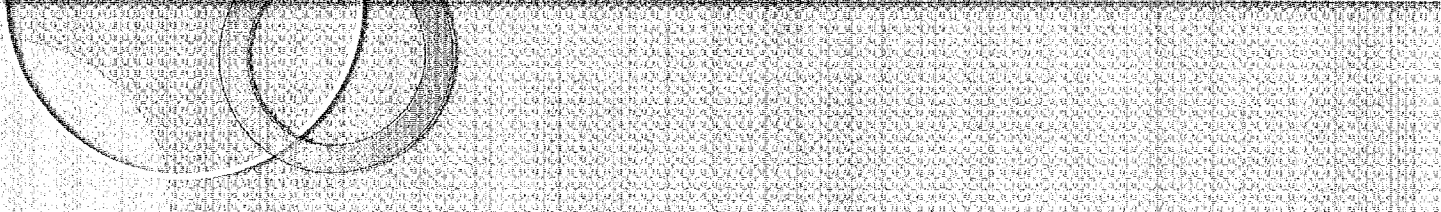
Horizon Projects Consulting Corp., provided an assessment on the as-is state of City of Oakland's current Oracle 11.5.10 implementation and business processes in preparation for an upgrade to Oracle 12.2.X Oracle E-Business Suite ("EBS") application.

## OBJECTIVES

- ◆ Provide an analysis of as-is conditions and recommendations on a to-be footprint
- ◆ Identify custom functionalities that can be replaced by standard functionalities
- ◆ Identify staffing requirements for successful execution
- ◆ Analyze work done by previous SI to determine reusability

## RESULTS

- ◆ Full understanding of salvageability of work from Prior SI
- ◆ Provided future system footprint and recommendations on process and functionality improvements by area for upgrade/reimplementation
- ◆ Drafted high level project plans for Phase 1 and Phase 2 of the implementation
- ◆ Provided City staffing requirements for implementation



# Assessment Key Findings

- Prior scope
- Risk
- Quality
- End User Engagement



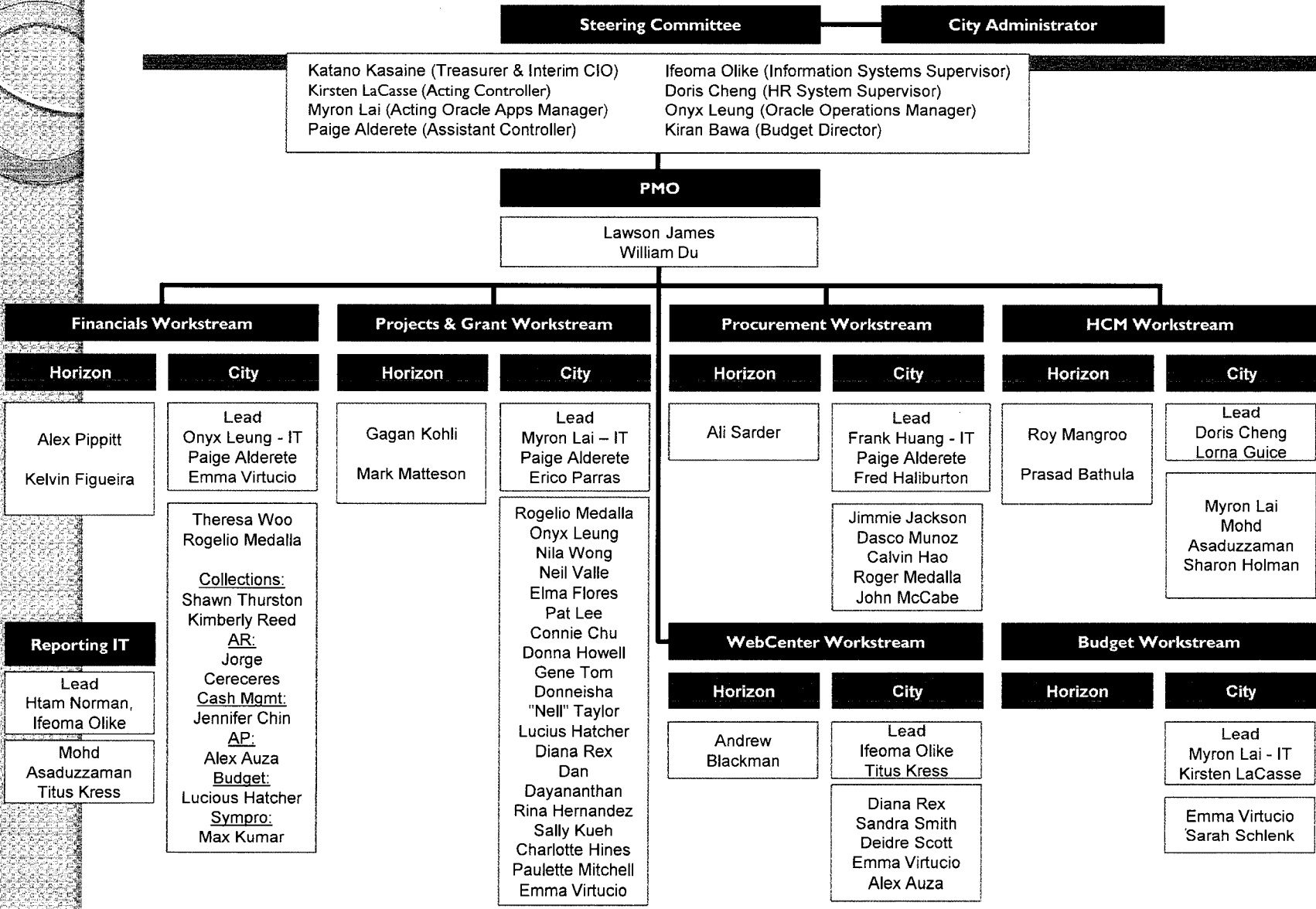
# What's Different Now

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- Hired an experienced independent project manager
- Communicating project to all stakeholders & more transparency
- Deep involvement of staff from all City departments
  - ✓ Blueprint is being developed, driven by City staff with support from Project Managers
- Methodology
- Scope – Phase 1 & 2



# City Project Core Team



# City Project Extended Team

Financials Workstream		Projects & Grant Workstream		Procurement Workstream		HCM Workstream	
Core Team	Extended Team	Core Team	Extended Team	Core Team	Extended Team	Core Team	Extended Team
<p><b>Lead</b> Onyx Leung - IT Paige Alderete Emma Virtucio</p> <p>Theresa Woo Rogelio Medalla</p> <p><u>Collections:</u> Shawn Thurston Kimberly Reed</p> <p><u>AR:</u> Jorge</p> <p>Cereceres</p> <p><u>Cash Mgmt:</u> Jennifer Chin</p> <p><u>AP:</u> Alex Auza</p> <p><u>Budget:</u> Lucious Hatcher</p> <p><u>Sympro:</u> Max Kumar</p>	<p>Debbie Commeaux Craig Strunk Yvonne Hudson Steven Lawrence Sandy Wong Susan Sanchez Sam Aigbekaen Diana Rex Donna Howell Errico Parras Dorothy Reynoso Geary Dillahunt Connie Chu Michelle Wong Lilian Falkin Felipe Kiocho Young Shin Kirsten LaCasse Bernadette DeLeon Andy Yang Margret O'Brien Pat Lee Trinette Gist Gladelyn Flores Neil Valle Annie To Robert Davila Rina Hernandez Donneisha Taylor Gene Tom Jaime Turbak Jiao Han Nila Wong Rosalie Villaluz Tom Morgan Doris Cheng</p>	<p><b>Lead</b> Myron Lai - IT Paige Alderete Erico Parras</p> <p>Rogelio Medalla Onyx Leung Nila Wong Neil Valle Elma Flores Pat Lee Connie Chu Donna Howell Gene Tom Donneisha "Nell" Taylor Lucius Hatcher Diana Rex Dan Dayananthan Rina Hernandez Sally Kueh Charlotte Hines Paulette Mitchell Emma Virtucio</p>	<p>Debbie Commeaux Craig Strunk Yvonne Hudson Steven Lawrence Sandy Wong Susan Sanchez Sam Aigbekaen Donna Howell Theresa Woo Michelle Wong Lilian Falkin Felipe Kiocho Young Shin Kirsten LaCasse Bernadette DeLeon Andy Yang Margret O'Brien Jennifer Chin Trinette Gist Gladelyn Flores Annie To Robert Davila Jaime Turbak Jiao Han Rosalie Villaluz Tom Morgan Jimmie Jackson Sharon Holman Lorna Guice Mohd Asaduzzaman Lisa Wright</p>	<p><b>Lead</b> Frank Huang - IT Paige Alderete Fred Haliburton</p> <p>Jimmie Jackson Dasco Munoz Calvin Hao Roger Medalla John McCabe</p>	<p>Debbie Commeaux Deborah Barnes Yvonne Hudson Steven Lawrence Sandy Wong Susan Sanchez Sam Aigbekaen Diana Rex Donna Howell Candace Shanks Walter Silva Trenton Sutton Dorothy Reynoso Geary Dillahunt Alex Auza Jorge Cereceres Margret O'Brien Dawn Jenkins Pat Lee Trinette Gist Gladelyn Flores Neil Valle Marisa Bernabe Tyehimba Jelani Annie To Robert Davila Rina Hernandez Karen Lu Donneisha Taylor Gene Tom Jiao Han Nila Wong Carla Reed Rosalie Villaluz Tom Morgan</p>	<p><b>Lead</b> Doris Cheng Lorna Guice</p> <p>Myron Lai Mohd Asaduzzaman Sharon Holman</p>	<p>Linda Mixon Deb Grant Lisa Wright Denise Carter Jamie Pritchett Kimberli Taper Phyllis Woodard Valerie Walston Cee Belue Tier Jenkins Maria Martinez</p>
<b>WebCenter Workstream</b>							
<b>Core Team</b>							
<p><b>Lead</b> Ifeoma Olike Titus Kress</p> <p>Diana Rex Sandra Smith Deidre Scott Emma Virtucio Alex Auza</p>							
<b>Budget Workstream</b>							
<b>Core Team</b>							
<p><b>Lead</b> Myron Lai - IT Kirsten LaCasse</p> <p>Emma Virtucio Sarah Schlenk</p>							



# What's Different Now

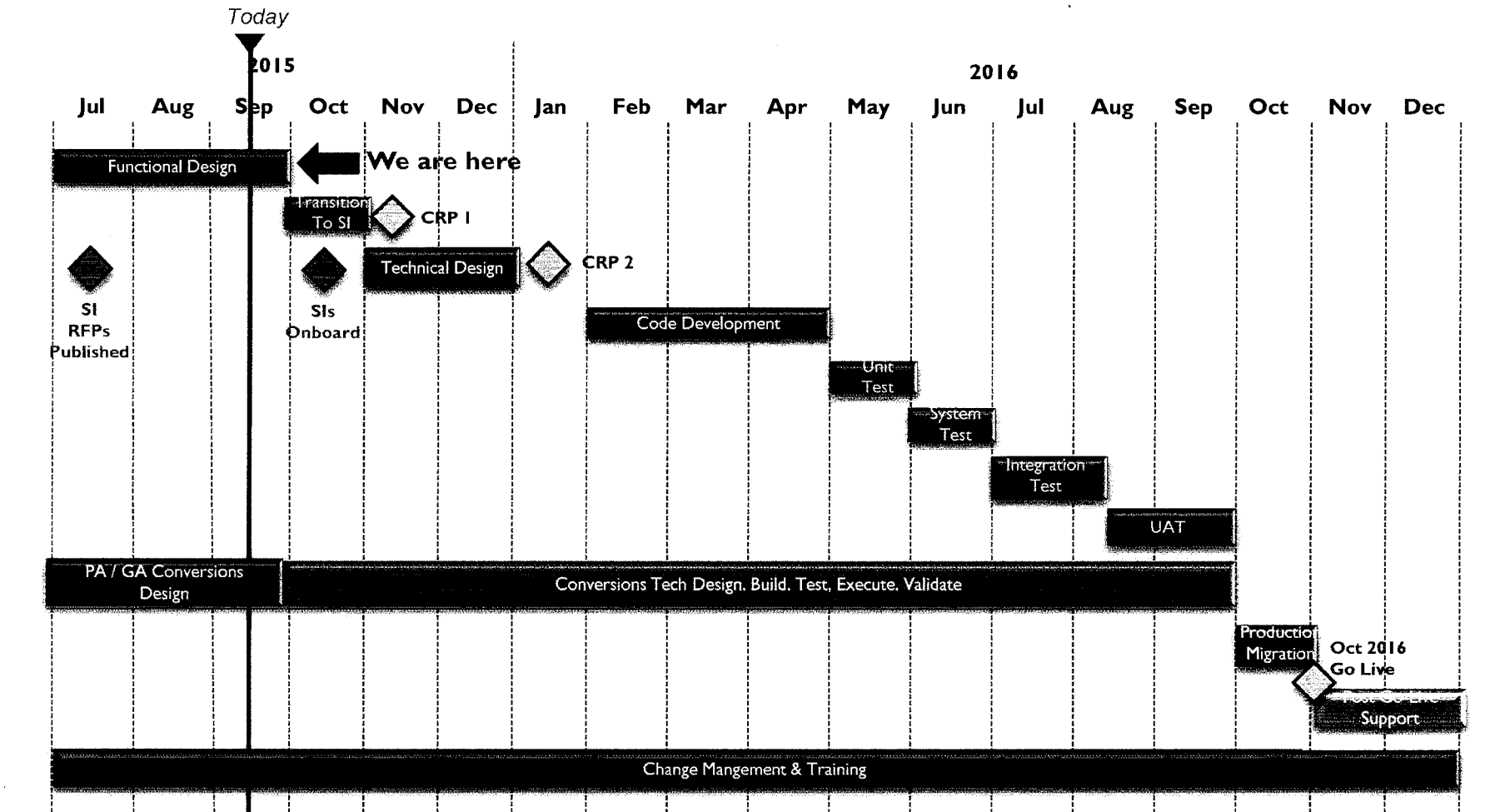
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- Hired an experienced independent project manager
- Communicating project to all stakeholders & more transparency
- Deep involvement of staff from all City departments
  - ✓ Blueprint is being developed, driven by City staff with support from Project Managers
- Methodology
- Scope – Phase 1 & 2

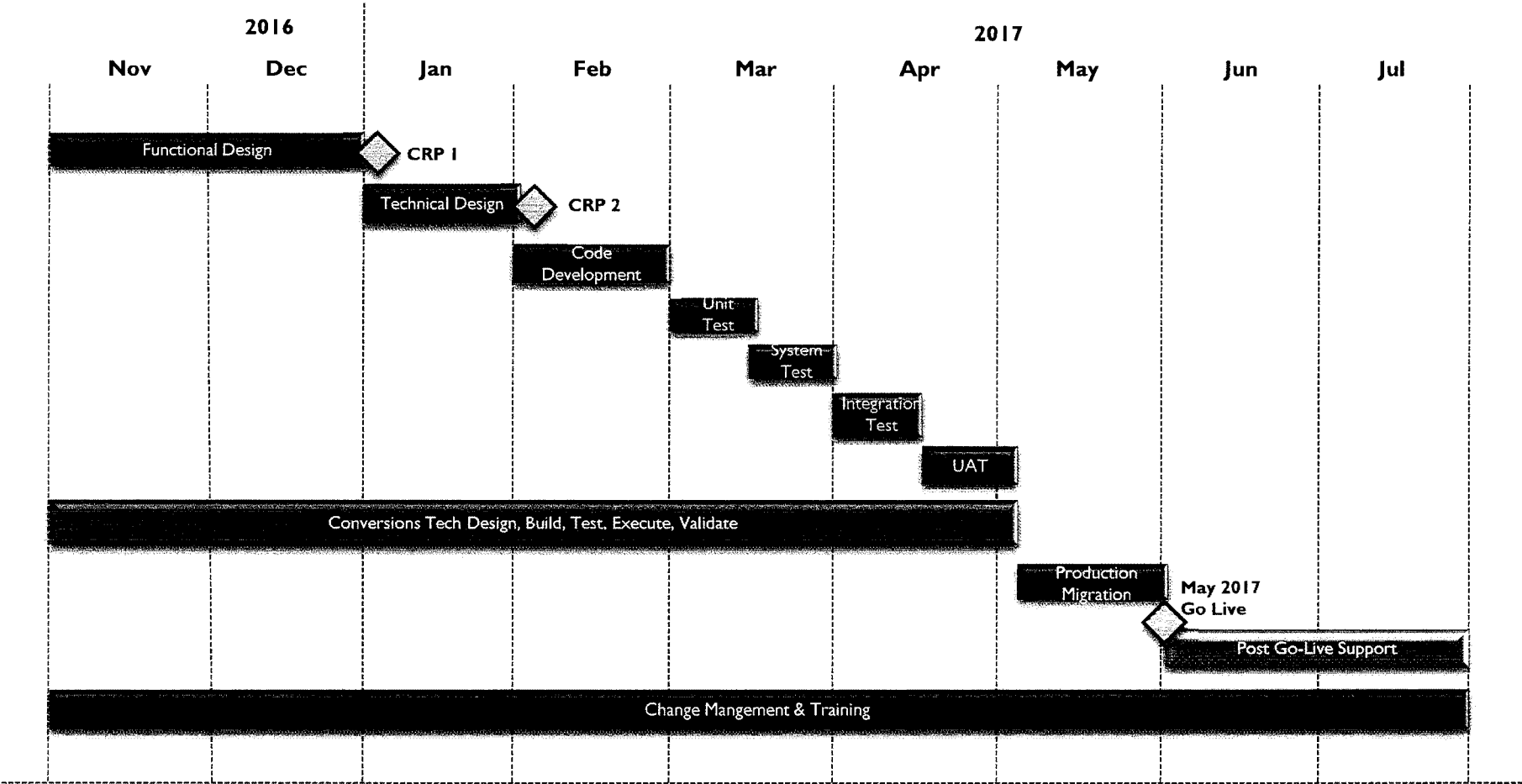




# Phase I Oracle Implementation Timeline




# Phase 2 Oracle Implementation Timeline





# What's Different Now

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- Hired an experienced independent project manager
  - Communicating project to all stakeholders & more transparency
  - Deep involvement of staff from all City departments
    - ✓ Blueprint is being developed, driven by City staff with support from Project Managers
  - Methodology
  - Scope – Phase 1 & 2
- 



# Oracle Project Phases

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- The project is divided into 2 phases to ensure overall project success.
  - ✓ Phase 1 is focused on upgrading/implementing existing Oracle functionalities to ensure continued support from Oracle
  - ✓ Phase 2 will be focused on implementation of new functionalities
  - ✓ Phase 2 will overlap Phase 1 – later in the project to ensure fluid transition between phases
- Planned go-live date of Phase 1 is October 31<sup>st</sup>, 2016. Oracle extended support for City's current version of the application expired at the end of 2014 – we are on borrowed time! The new system MUST go live on October 31<sup>st</sup>, 2016.
- Planned go-live date of Phase 2 is May 31<sup>st</sup>, 2017
- The project will help the City transition to a project and grant centric business process, allowing for automated costing/billing, more accurate data, and improved reporting



## Oracle modules to be implemented in Phase I

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### Phase I (October 31<sup>st</sup>, 2016 Go Live)

#### Financials:

- General Ledger
- Payables
- Receivables
- Cash Management
- AME Payables
- Advanced Collections
- New Budgeting System

#### Procurement:

- iProcurement
- Procurement Contracts
- Sourcing
- Purchasing
  - ✓ Receiving
- iSupplier
- Supplier Lifecycle Management
- AME Purchasing

#### HR:

- HRMS
  - ✓ HR security
  - ✓ Absence management
- Payroll
- OTL impact from Projects/Grant
- Manager/Employee HR Self Services

#### Projects and Grant:

- Projects Costing
- Projects Billing
- Grant
- Fixed Assets

#### WebCenter Suite Design including:

- WebCenter AP Imaging
- WebCenter Document Management
- WebCenter Records Management

#### Reporting:

- Out-of-box OBIEE reports for all areas

## Oracle modules to be implemented in Phase 2

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### Phase 2 (May 31<sup>st</sup>, 2017 Go Live)

#### Financials:

- iExpense
- EBTax

#### HR:

- **Advanced Benefits**

#### Procurements:

- Inventory
- New Supplier Database

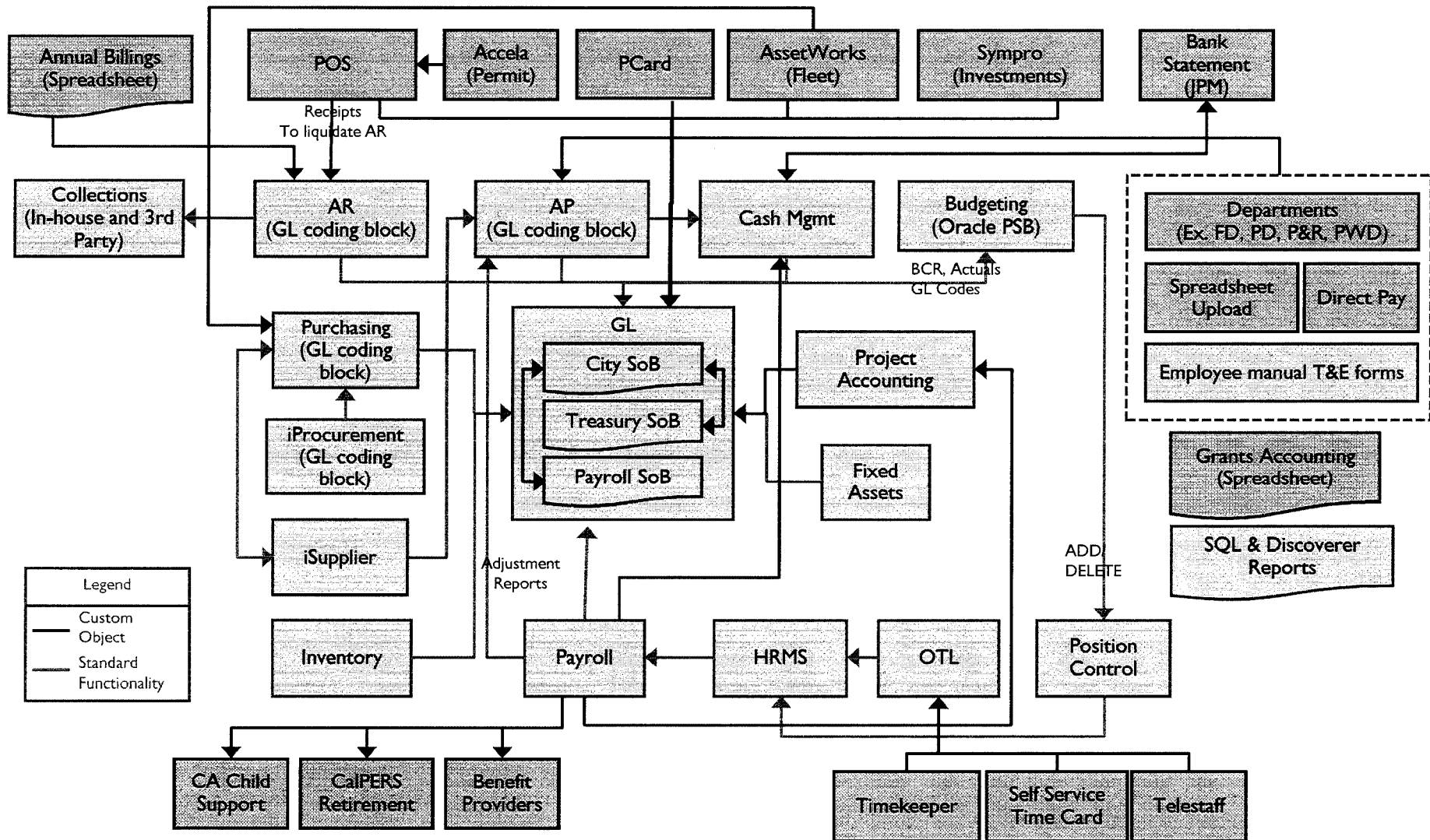
#### WebCenter Suite Implementation including:

- WebCenter AP Imaging
- WebCenter Document Management
- WebCenter Records Management
- WebCenter Portals and Sites

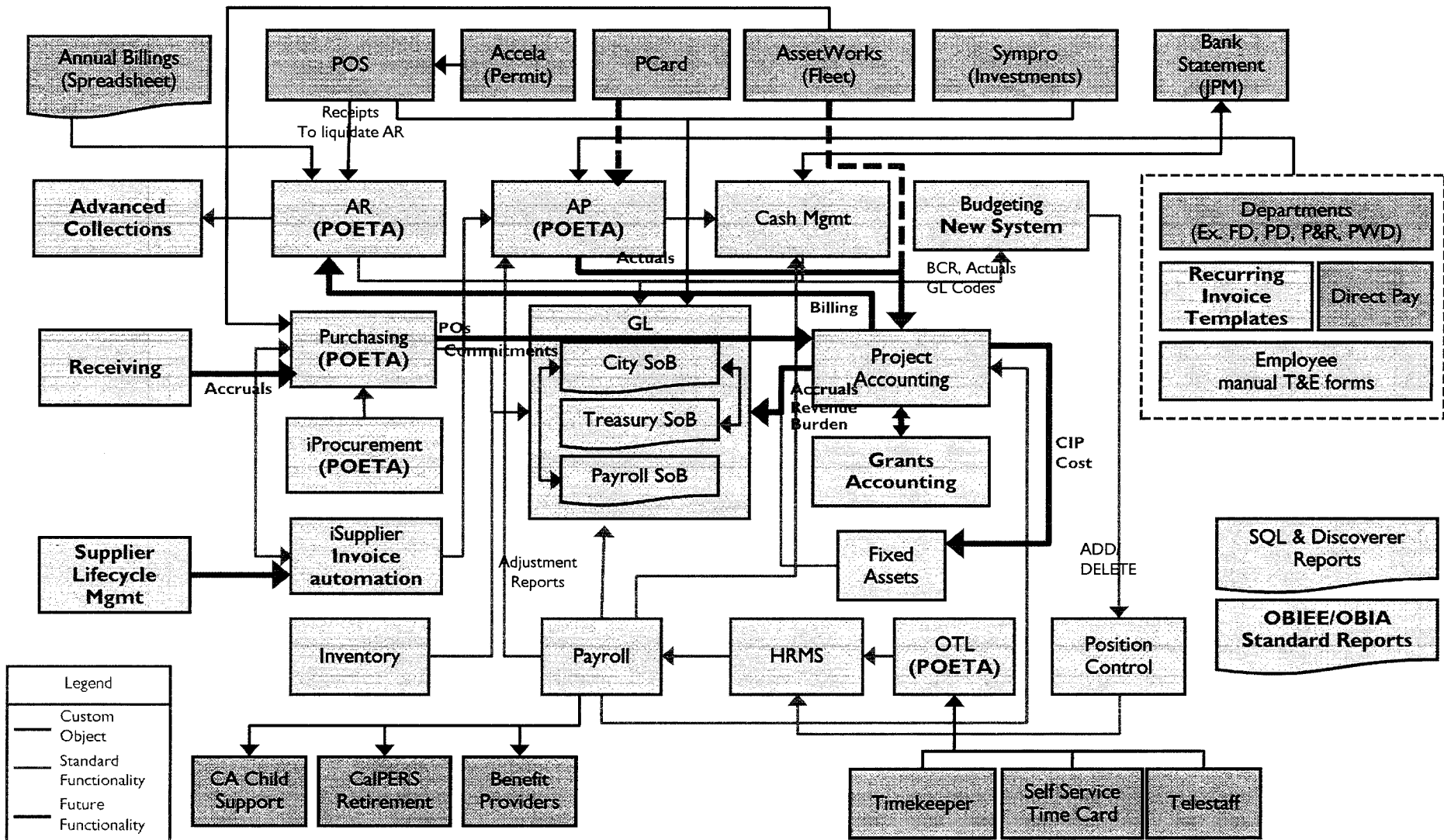
#### Reporting:

- Custom reports in OBIEE\OBIA

## 12.2 Application Upgrade Footprint – As Is

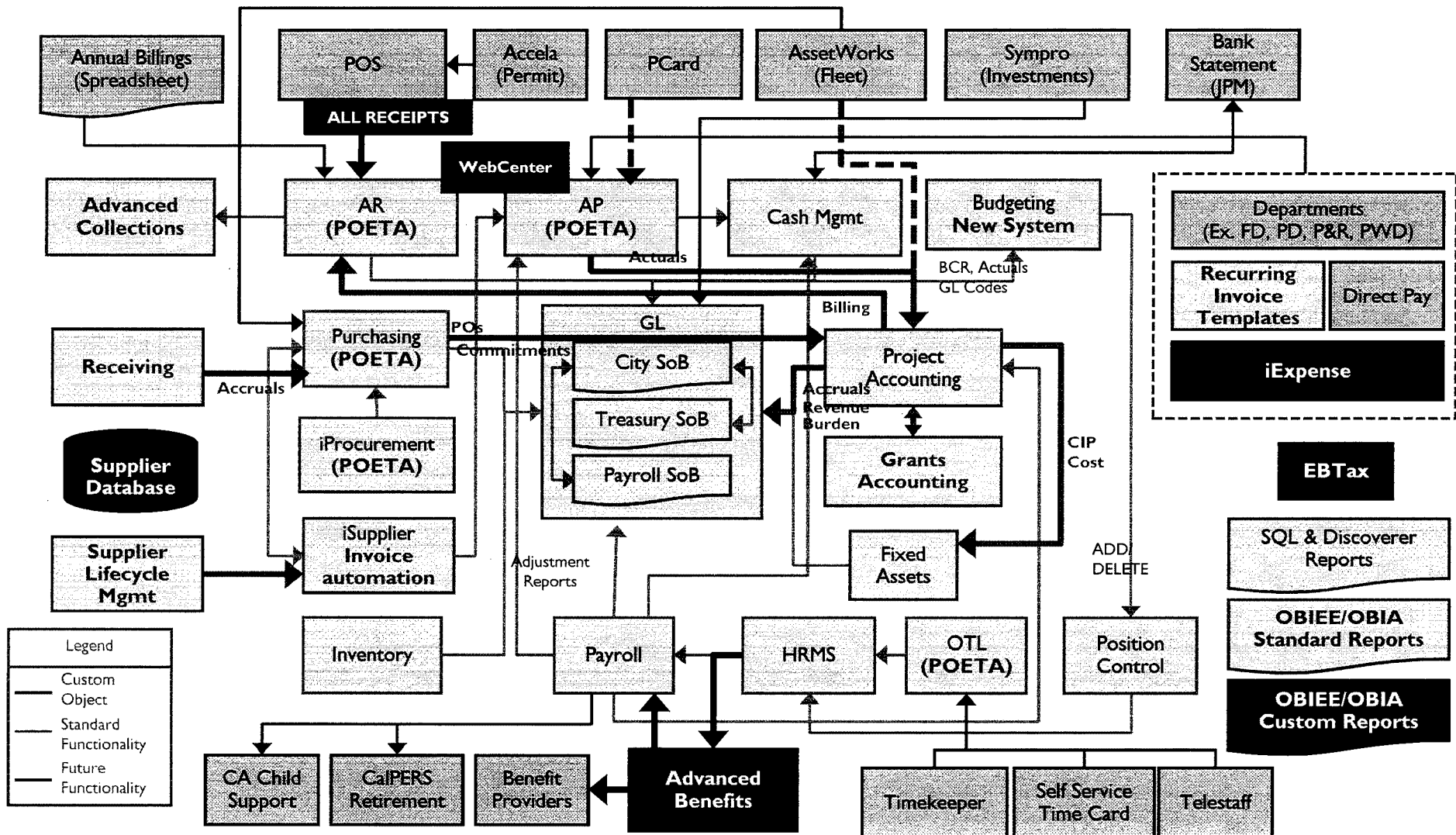


# 12.2 Application Upgrade Footprint – To Be Phase I





# 12.2 Application Upgrade Footprint – To Be Phase 2



# Master Lease Financing

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- Master Lease Agreement with IBM Credit
  - Provides financing in an amount of \$17 million
  - Debt service appropriated in FY 2015-17 Budget

<b>Projects</b>	<b>Estimated Funding</b>
Operations & Maintenance	\$6,450,000
9-1-1 Public Safety System	\$2,000,000
Municipal Budgeting System	\$550,000
Oracle EBS R12 & Infrastructure	<u>\$8,000,000</u>
Total:	\$17,000,000



# IBM Credit

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- Identified as one of the very few lenders who finance IT projects consisting of intangible assets
- Successfully financed similar City projects in 2013 and 2014
- Understanding of the City's credit, standard documents and IT projects
- Agreement can be executed expeditiously to provide immediate funding



# Oracle EBS R12 Upgrade

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- SCOPE
  - Upgrade Oracle EBS to latest release, implement additional functionalities and improve business processes in finance, benefits, grants and project management. Implement infrastructure remediation project.
- RISKS
  - Current release no longer supported as of 12/31/2016 – we must upgrade
  - Upgrade must commence immediately to be fully implemented by December 2016
  - If not upgraded, risks to City's ability to process payroll and conduct other key finance and accounting and human resources functions
- COSTS (estimated)
  - \$12.0 million. Available dollars: \$4 million
- PROGRESS-TO-DATE
  - Assessment of existing environment, system design in progress
  - RFP issued, 6 proposals evaluated, 3 firms to be interviewed, firm to be recommended to Council for contract award
  - Infrastructure RFP for SI issued, 4 proposals evaluated, 3 firms interviewed, firm recommended to Council for contract award



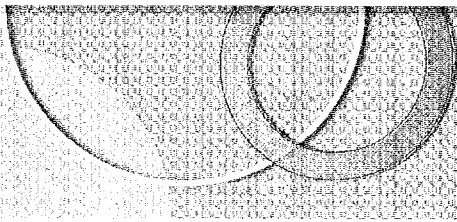
# Next Steps

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1. Authorize the City Administrator to execute a master lease agreement with IBM Credit and waive competitive selection requirements for the financing in order to provide funding for Operations & Maintenance, Oracle Systems and 9-1-1 Public Safety Systems projects
2. Approve award of contracts for professional services to the firms recommended to Council by staff in accordance with the competitive selection process for Oracle Systems and Budgeting Systems system integrators and authorize the City Administrator to negotiate and execute contracts with the approved firms
3. Authorize the City Administrator to negotiate and execute contracts with the next highest ranked firm(s) if an agreement cannot be reached in a timely manner with the approved firm(s)



# Questions?



City of  
**OAKLAND**  
California



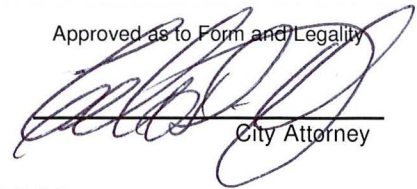
INFORMATION TECHNOLOGY  
**OAKLAND**  
*growing for everybody*



REVISED

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND  
2015 SEP 25 AM 8:50

Approved as to Form and Legality

  
City Attorney

## OAKLAND CITY COUNCIL

RESOLUTION No. \_\_\_\_\_ C.M.S.

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### 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.I.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

**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 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 –

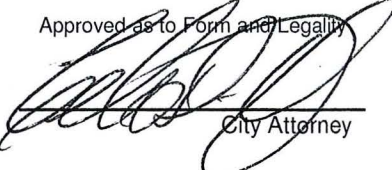
ATTEST: \_\_\_\_\_  
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California



REVISED

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND  
2015 SEP 25 AM 8:58

Approved as to Form and Legality

  
City Attorney

## OAKLAND CITY COUNCIL

RESOLUTION No. \_\_\_\_\_ C.M.S.

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### 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.I.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/Questia 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

**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 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