



Department of Administration
Business Operations Division

Tom Barrett
Mayor

Sharon Robinson
Director of Administration

Rhonda U. Kelsey
City Purchasing Director

April 9, 2010

To the Honorable
Michael J. Murphy, Chair
Committee on Finance & Personnel
Common Council-City Clerk
City Hall Room 205

Dear Alderman Murphy:

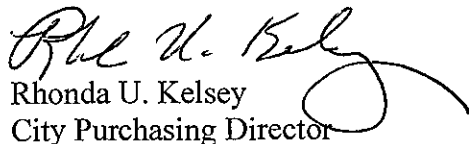
I am writing in regard to a request from the DOA-Information Technology & Management Division (ITMD) to amend a service contract with Oracle USA, Inc. for proprietary software updates and product support services. This contract amendment request requires approval by the Finance & Personnel Committee because it meets the criteria set forth in Common Council File No. 090352 – A substitute charter ordinance relating to review and approval of single and sole contract amendments that was recently adopted in October of 2009.

The charter ordinance requires Finance & Personnel Committee approval of existing single or sole source contract amendments when the original amount of the contract added to the amended amount of the contract, is \$50,000 or greater. This is the first contract amendment request submitted to the DOA-Procurement Services Section that meets the criteria set forth in the ordinance that requires Finance & Personnel Committee approval.

Attached to this letter, is a document that provides background information regarding this amendment request.

I look forward to addressing any additional questions or concerns that you might have.

Sincerely,


Rhonda U. Kelsey
City Purchasing Director

c: Alderman Bob Bauman, Vice Chair
Alderman Joe A. Dudzik
Alderswoman Milele A. Coggs
Alderman Nik Kovac
Nancy Olson, DOA-ITMD

Attachment (1)

Ref: rkelse/BOD/F&PAppSSAmend/OracleE-2153Amend.doc

Finance & Personnel Committee Approval Required Single/Sole Source Contract Amendments \$50K or more

Background

User Department: DOA- ITMD
Contract Amendment Request: Oracle USA, Inc. – Proprietary Software Updates & Technical Support
Original Date of Award: October 30, 2001
Original Term: 11/30/2001 thru 10/31/2002
Current Contract Term: 3/1/2009 thru 2/28/2010
Current Contract Amount: \$405,862.10

History of Contract Amendments:

Date	Item	Term	Cost
10/30/2001	Original purchase of Oracle Database Software with updates & product support	11/1/01 - 10/31/02	\$46,247.45
9/19/2002	Amendment #1 - Purchase of new server & tools program and contract extension for product support	11/1/02 - 12/31/02	\$76,771.95
3/31/2003	Amendment #2 - Purchase new Oracle licenses & support for the City's financial and payroll systems	01/1/2003 - 12/31/03	\$109,879.20
1/23/2004	Amendment #3 - Extend time of performance for product support and updates for Oracle Enterprise Edition	12/25/03 - 10/24/04	\$3,960.00
11/24/2004	Amendment #4 - Extend the time of performance by one year & two months until 2/28/05 to cover Oracle Database software, updates and support. The extra 2 months was needed to cover the actual extended time period for the Database Software with the updated product support portion of the contract. The extension was allowable under the terms and conditions of the contract.	- 2/28/05	\$29,691.20
7/29/2005	Amendment #5 - Extend the time of performance by one year thru 2/28/06 for product updates and support. This is proprietary software.	03/01/05 - 02/28/06	\$26,240.11
3/6/2006	Amendment #6 - Extend the time of performance by one year thru 2/28/07 for product updates and support. This is proprietary software.	03/01/06 - 02/28/07	\$27,027.32
5/10/2007	Amendment #7 - Extend the time of performance by one year thru 2/28/08 for product updates and support. This is proprietary software.	03/01/07 - 02/28/08	\$27,838.13
4/4/2008	Amendment #8 - Extend the time of performance by one year thru 2/28/09 for product updates and support. This is proprietary software.	03/01/08 - 02/28/09	\$28,673.27
4/9/2009	Amendment #9 - Extend the time of performance by one year thru 2/28/10 for product updates and support. This is proprietary software.	03/01/09 - 02/28/10	\$29,533.47
Pending	Amendment #10 - Extend the time of performance by one year thru 2/28/11 for product updates and support. This is proprietary software.	03/01/10 - 02/28/11	\$30,419.48
Total (including Amendment #10)			\$405,862.10

Purpose of Amendment

To provide technical support and required proprietary software updates/maintenance to the City's corporate database. Oracle products are used to support the City's financial, payroll, web applications, GIS, COMPASS, Assessors, Milwaukee Police Department (MPD) crime data, Health and City Clerk licensing systems.

City Purchasing Director Recommendation

Approval is recommended to ensure that DOA-ITMD can obtain required technical support to maintain the City's corporate database. The current contract has expired which means that ITMD is unable to obtain technical support from Oracle whereby the City obtains volume-based pricing based on the State of Wisconsin Contract US-State-WI-25911-01-Dec-2007. If this contract amendment is not approved, the financial investment that the City has made over the years will be wasted. In addition, significant redesigning, and retraining efforts would be required to rewrite various citywide web applications (GIS, COMPASS, Health and City Clerk licensing systems) that have been implemented over the last twenty years.