



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 6/2/2015

Agenda Placement: 6N

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Jon Gjestvang - Chief Information Officer
Information Technology Services
REPORT BY: Wendi Talley, Staff Services Analyst I - (707) 259-8666
SUBJECT: Oracle USA, Inc. Software License Renewal

RECOMMENDATION

Chief Information Officer requests approval of and authorization for the Purchasing Agent to issue a purchase order for annual PeopleSoft software license fee from Oracle USA, Inc. of Palatine, Illinois, for a total of \$384,412 plus applicable tax for the term July 1, 2015 through June 30, 2016.

EXECUTIVE SUMMARY

The PeopleSoft Financials and Human Resources applications are currently used throughout the County to provide automated financial and human resource operations. The County is required to pay an annual license fee which includes the software maintenance for these applications during the year to ensure proper performance of this suite of applications and take advantage of new functionality added to the applications. The request is to authorize the Purchasing Agent to issue a purchase order on July 1, 2015 to purchase the annual software licensing in the amount of \$384,412 plus applicable tax.

Oracle is not a local vendor.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Information Technology Services (ITS) Fiscal Year 2015-16 budget and is allocated to all County departments.

Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	This action will allow for continued software maintenance and support for the PeopleSoft Financials and HR systems.
Is the general fund affected?	Yes
Future fiscal impact:	Future year costs will be included in the ITS budget and built into the ITS Cost Allocation Plan.
Consequences if not approved:	It would not be possible to maintain these software applications and take advantage of future software enhancements.
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The PeopleSoft Financials and Human Resources applications are currently used throughout the County to provide automated financial and human resource operations. The County is required to pay an annual license fee which includes the software maintenance for these applications during the year to ensure proper performance of this suite of applications and take advantage of new functionality added to the applications. New functionality includes the following that the County is planning to implement:

- | Tax Updates - Needed when updates to tax laws occur
- | Expense Management - Travel and expense solution that will replace current system that is separate from PeopleSoft Financials
- | Absence Management - Leave management solution in PeopleSoft HR that will provide a more robust solution to the County's current system

The annual license fee is based on the combination of the County's annual budget and the number of County employees. The annual fee is calculated at 22% of net license fees with annual increases allowed under the agreement during each subsequent support renewal. The original PeopleSoft Software End User License and Services Agreement No. 3730 allows for standard annual increase by the Inflationary Adjustment Rate (IAR). The increase rate has been steady at 3% in recent years. The cost for Fiscal Year 2014-2015 annual maintenance cost was \$373,046.39 plus applicable tax. The proposed cost for Fiscal Year 2015-2016 annual maintenance cost is \$384,411.24, which is a 3% increase from the previous year.

Oracle is not a local vendor. Napa County initially purchased the PeopleSoft system back in 1996 and has upgraded the system multiple times to the current version. At this time, there is no plan to consider another financial or human resources management system.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Helene Franchi