



RESOLUTION NO. \_\_\_\_\_

**BOARD LETTER APPROVAL**

*Mona Guirguis*

**MONA T. GUIRGUIS**  
Interim Chief Information Technology Officer

*Janisse Quiñones*

**JANISSE QUIÑONES**  
Chief Executive Officer and Chief Engineer

**DATE:** September 12, 2024

**SUBJECT:** Contract No. 8039A for Oracle Perpetual License Software Support and Maintenance with Oracle America, Inc.

**SUMMARY**

The proposed Sole Source Contract No. 8039A (Contract) with Oracle America, Inc. (Oracle) is for Oracle perpetual license support and maintenance for existing on-premise perpetually licensed Oracle software for a term of up to 14 months and a not-to-exceed amount of \$6,403,299 (budgeted). The Contract will also ratify the effective date of the Contract to July 1, 2024, due to the City Attorney imposed moratorium on non-competitive contracts.

This Contract is excepted from the competitive purchasing requirements established by the Los Angeles City Charter and Administrative Code pursuant to Section 371(e)(10) of the Los Angeles City Charter and Section 10.15(a)(10) of the Los Angeles Administrative Code, on the basis that use of competitive bidding would be undesirable, impractical, or impossible.

City Council approval is not required.

This Contract expires on September 1, 2025.

## **RECOMMENDATION**

It is recommended that the Board of Water and Power Commissioners (Board) adopt the attached Resolution authorizing the approval of the Contract with Oracle.

## **ALTERNATIVES CONSIDERED**

ITS originally considered establishing a cooperative purchasing agreement with Mythics, LLC (Mythics); however, due to concerns raised related to length of time since the original solicitation of the underlying contract, the fact that LADWP had not previously done business with Mythics, and the cumulative anticipated spend of the cooperative agreement was not approved for award. ITS was directed to go through the competitive solicitation process for a long-term contract with Oracle or an Oracle reseller for purchases of Oracle products. As a result of this change in course, ITS has an immediate need for licenses, but no mechanism other than a new, non-competitive contract to obtain such licenses.

Use of competitive bidding for these contracts would be undesirable, impractical, or impossible because the purpose of these contracts is to provide licenses while ITS completes a competitive process. Without these licenses, critical operational functions would be unable to continue while a solicitation is completed. Purchasing the licenses directly from Oracle is the best way to ensure continuity of service.

## **FINANCIAL INFORMATION**

The Contract is for up to a 14-month term and a not-to-exceed amount of \$6,403,299 (budgeted).

## **BACKGROUND**

LADWP's existing information technology infrastructure relies heavily on Oracle-based systems. The integration and use of Oracle software is critical for several LADWP functions including, but not limited, to its operations, data management, budgeting, and customer billing activities. LADWP has historically purchased its Oracle licenses through multiple, one-time, non-competitive purchases directly from Oracle. ITS submitted four different scopes to Supply Chain Services (SCS) under one request, resulting in split contracts for each scope. Contract 8039A requires Board approval, whereas Contracts Nos. 8039 B, C, and D will be executed separately under the General Manager's authority.

While the proposed contracts will continue with that method of procurement for these contracts during the next two years, ITS will work with SCS to complete a competitive solicitation to select one or more vendors to serve as Oracle resellers following the terms of the contracts requested pursuant to this memo.

## **ENVIRONMENTAL DETERMINATION**

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15060(c)(3). In accordance with this section, an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378(b)(5) states that organizational or administrative activities that will not result in direct or indirect physical changes in the environment do not meet that definition. Therefore, the purchase of a software subscription and support is not subject to CEQA.

## **CITY ATTORNEY**

The Office of the City Attorney reviewed and approved the Agreement and Resolution as to form and legality.

## **ATTACHMENTS**

- Procurement Summary
- Resolution

## PROCUREMENT SUMMARY

1.	Recommended Vendor(s): Oracle America, Inc. (Oracle)
2.	Procurement Type: Single Source
3.	Procurement Details: A. Contract Status: New B. Bid Advertisement Date: N/A C. Pre-Bid Conference Date: N/A D. Bid/Proposal Due Date: N/A E. Number of Downloads of Solicitation: N/A F. Number of Bids/Proposal Received: N/A G. Protest Received: (Yes/No): N/A
4.	Buyer Assigned: Kien Hua
5.	Contract Administrator: Tony Young
6.	LADWP System/Division: Joint/ Information Technology Services (ITS)
7.	Contact Person for Item: Tony Young

### A. Summary of Bid

Not applicable to this sole source contract.

### B. Evaluation of the Bid

Supply Chain Services received four different scopes of work from ITS, under a single source requisition, for Oracle perpetual license software support and maintenance, which resulted in four contracts. Contract No. 8039A (Contract) requires Board approval due to the dollar amount. Contracts Nos. 8039 B, C, and D can will be executed under the General Manager's authority.

The pricing for the Contract is considered fair and reasonable based on historical pricing. The pricing is 8 percent more than LADWP's 2024 pricing due to higher costs to support aging legacy Oracle software and Oracle's corporate strategy to keep pace with rising inflation.

### C. Procurement History

Service/Item History – Number of Times Item or Service has been Procured					
Contract/ PO No.	Contractor	Term of Contract	Start Date	Ending Date	Contract Amount
767	Oracle America Inc.	3 years and 4 months, with five, 1-year renewal optional periods	03/16/2016	07/27/2024	\$71,300,000
Vendor Experience – Number of contracts Oracle has had with LADWP during the last five years					
Contract/ PO No.	Contract Description	Term of Contract	Start Date	Ending Date	Contract Amount
8039B	Oracle CCS + Perpetual License/Field Services Subscription	18 Months	11/30/2024	05/30/2026	\$1,602,000

8039D	Oracle Cloud Java Development Environment License Subscription	22 Months	08/29/2024	06/29/2026	\$7,500
41079	Oracle Hyperion, Essbase	2 years	05/28/2024	05/27/2026	\$174,274
41078	Oracle Hyperion Enterprise Financial Planning Suite and Data Quality Management	2 years	05/28/2024	05/27/2026	\$232,220
26139	Oracle Utilities Customer Cloud Java Development Environment	1 year	04/29/2024	04/28/2025	\$7,500
41260	Oracle Utilities Customer Cloud Service	1 year	04/24/2024	04/23/2025	\$4,991,389
41080	Oracle Multitenant Processor Perpetual Software Update License & Support	2 years	02/23/2024	02/22/2026	\$1,223,388
41077	Oracle PaaS and IaaS Universal Credits	2 years	02/23/2024	02/22/2026	\$1,400,000
41076	Oracle Java SE Subscription	1 year	10/30/2023	10/29/2024	\$502,260
767	Oracle Software, Licensing, Maintenance and Technical Support	3 years and 4 months, with five, 1-year renewal optional periods	03/16/2016	07/27/2024	\$71,300,000

**D. Local Business Preference Program (LBPP)**

Not applicable to this Contract.

**E. Additional Outreach Efforts Taken**

Not applicable to this Contract.

**F. Small Business Enterprises (SBE)/Disabled Veterans Business Enterprises (DVBE)/Minority Business Enterprises (MBE)/Women Business Enterprises (WBE)/Other Business Enterprises (OBE) Subcontracting Participation**

Not applicable to this Contract.