



Agenda Report

December 13, 1999

TO: CITY COUNCIL
THROUGH: FINANCE COMMITTEE

FROM: CITY MANAGER

SUBJECT: PEOPLESOFT, INC. SOFTWARE LICENSE AND SERVICES AGREEMENT

RECOMMENDATION:

It is recommended that the City Council i) authorize the City Manager to enter into a software license and services agreement with PeopleSoft, Inc. in the amount of \$118,268 for the period of January 24, 2000 to January 23, 2001. ii) authorize the City Manager to execute future annual license and services agreements for as long as the City utilizes the PeopleSoft financial management system.

The proposed agreement is exempt from competitive bidding pursuant to City Charter Section 1002(F) contracts for professional or unique services.

It is further recommended that the City Council grant this agreement an exemption from the competitive selection process of the Affirmative Action in contracting ordinance pursuant to PMC Section 4.09.060C, contracts for which the City's best interests are served.

BACKGROUND:

The City purchased the PeopleSoft, Inc. financial management information system in November 1996 to fully integrate many of the City's stand-alone systems and to avoid year 2000 problems with the old system.

The initial implementation included four modules of the system on version 5.01. Subsequently, three additional modules were implemented. In April, 1999 the City upgraded the system to version 7.01 and implemented an additional module. The modules

include General Ledger, Accounts Payable, Purchasing, Project Costing, Inventory, Accounts Receivable/Billing, and Asset Management.

The original software license and services agreement, signed in November 1996, became effective in January 1998 after PeopleSoft met their original contract requirements with the City. The original contract included one year of the license and services agreement with the option to continue the agreement for five years, thereafter, at one hundred and seven percent (107%) of the previous year's support services fee. The support services fee this year is \$109,254 plus taxes or \$118,268. To maintain these modules and to ensure software support of the PeopleSoft, Inc. financial management system, it is necessary to continue this license and services agreement. The license and services agreement includes telephone support, patches or fixes needed for on-going integrity of the system, and some minor enhancements.

FISCAL IMPACT:

Sufficient funds for this agreement have been included in the Finance Department, Accounting and Analysis Operating Budget for fiscal year 2000 and will be requested in future years operating budgets.

Respectfully submitted,



Cynthia J. Kurtz
City Manager

Prepared by:



Paula Hanson
Management Analyst V

Approved by:



Jay M. Goldstone
Director of Finance