

RESOLUTION NO. 2020-66

AUTHORIZING CONTRACT NO. 2020-110 WITH ORACLE AMERICA, INC. FOR ORACLE CLOUD SOFTWARE AS A SERVICE IN AN AMOUNT NOT TO EXCEED \$610,647.60 FOR THE BASE ONE-YEAR TERM AND OPTION YEARS ONE AND TWO, AND IN AN AMOUNT NOT TO EXCEED \$622,860.55 FOR OPTION YEARS THREE AND FOUR, FOR A TOTAL FIVE-YEAR CONTRACT PRICE NOT TO EXCEED \$3,077,663.90 (RTA DEVELOPMENT FUND, INFORMATION TECHNOLOGY DEPARTMENT BUDGET)

WHEREAS, the Authority currently utilizes Oracle-licensed products for financial, procurement, and human resource management applications; and

WHEREAS, the current on-premise Oracle solution has reached its end of life, and premier support will not be available after December 31, 2021; and

WHEREAS, an upgrade is required to retain Oracle support; and

WHEREAS, these services are available from Oracle America, Inc., located at 500 Oracle Parkway, Redwood City, CA 94065, the original developer of these products; and

WHEREAS, the State of Ohio Cooperative Purchasing Program provides political subdivisions within the State of Ohio with the opportunity to participate in contracts executed by the State of Ohio, Department of Administrative Services, Office of State Purchasing, for the purchase of supplies, services, equipment and certain materials; and

WHEREAS, Section 306.43(H)(4) of the Ohio Revised Code permits a regional transit authority to participate in said program; and

WHEREAS, the Board of Trustees authorized utilization of the State of Ohio Cooperative Purchasing Program in Resolution 1990-69; and

WHEREAS, Section 306.43(H)(3) of the Ohio Revised Code provides that competitive bidding is not required when the expenditure is for a renewal or renegotiation of a lease or license for telecommunications or electronic data processing equipment, services or systems, or for the upgrade of such equipment, services or systems, or for the maintenance thereof as supplied by the original source or its successors or assigns; and

WHEREAS, Oracle America, Inc. will provide these services in an amount not to exceed \$610,647.60 for the base one-year term and option years one and two, and in an amount not to exceed \$622,860.55 for option years three and four, for a five-year total contract amount not to exceed \$3,077,663.90; and

WHEREAS, the General Manager, Chief Executive Officer deems the offer of Oracle America, Inc., for Oracle Cloud Software as a Service to be in the best interest of the Authority and recommends acceptance thereof by the Board of Trustees.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the offer of Oracle America, Inc. to provide Oracle Cloud Software as a Service for a period of one year with four, one-year options be and the same is hereby accepted.

Section 2. That the General Manager, Chief Executive Officer of the Authority be and she is hereby authorized to enter into a sole source contract with Oracle America, Inc. to provide said services, and is further authorized to exercise the options.

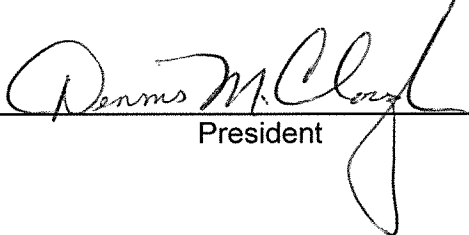
Section 3. That said contract shall be payable from the RTA Development Fund, Information Technology Department budget, including but not limited to 100% local funds in an amount not to exceed \$610,647.60 for the base one-year term and option years one and two, and in an amount not to exceed \$622,860.55 for option years three and four, for a five-year total contract amount not to exceed \$3,077,663.90.

Section 4. That said contract shall be binding upon and an obligation of the Authority contingent upon future funding, compliance by the contractor with the Specifications and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees; bonding and insurance requirements and all applicable laws relating to contractual obligations of the Authority.

Section 5. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects that Oracle Corporation will attempt to exceed the 0% minimum DBE goal assigned to this procurement.

Section 6. That this resolution shall become effective immediately upon its adoption.

Adopted: August 25, 2020



President

Attest: 

Interim Secretary-Treasurer



<p>TITLE/DESCRIPTION: CONTRACT: ORACLE CLOUD SOFTWARE AS A SERVICE VENDOR: ORACLE AMERICA, INC. AMOUNT: NTE \$610,647.60 FOR THE BASE ONE-YEAR TERM AND OPTION YEARS ONE AND TWO, AND IN AN AMOUNT NTE \$622,860.55 FOR OPTION YEARS THREE AND FOUR, FOR A TOTAL FIVE-YEAR CONTRACT PRICE NTE \$3,077,663.90</p>	<p>Resolution No.: 2020-66</p> <hr/> <p>Date: August 20, 2020</p> <hr/> <p>Initiator: Information Technology Department</p>
<p>ACTION REQUEST: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____</p>	

- 1.0 **PURPOSE/SCOPE:** This action will allow the Authority to enter into a sole source contract for Oracle Cloud Software as a Service (“SaaS”) for a period of one year with four, one-year options.

- 2.0 **DESCRIPTION/JUSTIFICATION:** The Authority has been utilizing Oracle technology and applications since 1995. These applications are used to support the Authority’s financial, procurement, and human resource activities. The current on-premise Oracle solution has reached its end of life, and premier support will not be available after December 31, 2021. As a result, an upgrade is required to retain Oracle support. This transition will allow the Authority to gain a substantial increase and improvement in available features, functionality, and technology, such as automatic updates, remote access from anywhere and anytime, enhanced security, additional modules to increase operational efficiencies, improved disaster recovery, and improved analytic and reporting capabilities.

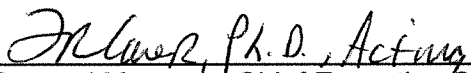
- 3.0 **PROCUREMENT BACKGROUND:** Section 306.43(H)(4) of the Ohio Revised Code provides political subdivisions within the State of Ohio the opportunity to participate in contracts negotiated and executed by the State of Ohio, Department of Administrative Services, Cooperative Purchasing Program, for the purchase of supplies, services, equipment and certain materials. The Board of Trustees has authorized the General Manager, Chief Executive Officer to utilize such contracts by Resolution No. 1990-69.

The State of Ohio Cooperative Purchasing Program includes a contract with Oracle America, Inc. under State Term Contract No. MCSA0023. This contract for Oracle Cloud SaaS is exempt from competitive bidding under Section 306.43(H)(3) of the Ohio Revised Code. Oracle America, Inc. developed the Oracle Business Suite on a proprietary basis and is the only source authorized to support the system. Said contract will allow the Authority to obtain Oracle Cloud SaaS for an amount not to exceed \$610,647.60 for the base one-year term and option years one and two, and in an amount not to exceed \$622,860.55 for option years three and four, for a five-year total contract amount not to exceed \$3,077,663.90.

A price analysis has been performed and the Procurement Department has determined that the price is fair and reasonable to the Authority.

- 4.0 AFFIRMATIVE ACTION/DBE BACKGROUND: The Office of Business Development does not conduct Affirmative Action reviews or establish goals on procurements included in the State Cooperative Purchasing program.
- 5.0 POLICY IMPACT: Does not apply.
- 6.0 ECONOMIC IMPACT: The contract will be funded through the RTA Development Fund, Information Technology Department budget, including but not limited to 100% local funds in an amount not to exceed \$610,647.60 for the base one-year term and option years one and two, and in an amount not to exceed \$622,860.55 for option years three and four, for a five-year total contract amount not to exceed \$3,077,663.90. This price is the budgeted amount for this procurement.
- 7.0 ALTERNATIVES: Reject this offer. Rejection of this offer would jeopardize the functionality of critical financial, procurement, and human resource/payroll systems vital to the organization.
- 8.0 RECOMMENDATION: This procurement was discussed at the August 11, 2020 Organizational, Services & Performance Monitoring Committee meeting. It is recommended that the offer of Oracle America, Inc. be accepted and the resolution passed authorizing the General Manager, Chief Executive Officer to enter into a contract.
- 9.0 ATTACHMENTS: None.

Recommended and certified as appropriate to the availability of funds, legal form and conformance with the Procurement requirements.



General Manager, Chief Executive Officer