



Board Agenda Item 40

DATE: August 4, 2020

TO: Board of Supervisors

SUBMITTED BY: Robert W. Bash, Director of Internal Services/Chief Information Officer

SUBJECT: Agreement with Rimini Street, Inc., for Third-Party Support of Oracle Product Licenses

RECOMMENDED ACTION(S):

- 1. Make a finding that it is in the best interest of the County to suspend the competitive bidding process consistent with Administrative Policy No. 34 for unusual or extraordinary circumstances as Rimini Street, Inc. is the only third-party vendor that will provide support of Oracle Peoplesoft, Database, and Technology licenses for custom Fresno County code; and**
- 2. Approve and authorize the Chairman to execute an Agreement with Rimini Street, Inc. to provide maintenance and support for Oracle Peoplesoft, Database, and Technology licenses, effective upon execution through December 31, 2023, total not to exceed \$3,152,741.**

Approval of the recommended actions will allow Rimini Street, Inc. (Rimini Street) to provide third-party maintenance and technical support for Oracle Peoplesoft, Database, and Technology licenses. The recommended agreement will reduce maintenance and support costs by half per year. Oracle is utilized by county departments and funded through charge backs to user departments. This item is countywide

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended actions, the Internal Services Department - Information Technology Services Division will not be able to continue using Oracle products to complete various financial and human resource tasks that are essential to county department operations at a reduced cost. Your Board may also direct Department staff to continue support through Oracle; however, the costs would be double and support for custom Fresno County code will end.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

The Department's request to suspend the competitive bidding process consistent with Administrative Policy No. 34 results from the fact that Rimini Street can provide maintenance and support for the PeopleSoft products used and customized by the County since 1994. Rimini Street is the only third-party vendor who can provide the support for the County's existing Oracle products, including custom coding, and support for tax and regulatory updates for audit compliance. The Department's Purchasing Division concurs with the request to suspend the competitive bidding process.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The maximum compensation for the recommended agreement is \$3,152,741 and will be funded by charge backs to user departments. The Department will realize a savings of \$800,000 annually, by moving Oracle product support to Rimini Street. Sufficient appropriations and estimated revenues are included in the Department's Information Technology Services Division - PeopleSoft Operations Org 8933 FY 2020-21 Recommended Budget and will be included in subsequent budget requests.

DISCUSSION:

Since 1994, the County has owned and operated on-premises Oracle products for the County's day-to-day operations, including but not limited to the Human Resources Management System, Financial Information System, and Database systems. During that time, the County has added customized code as needed for operations, which is not supported by Oracle.

Oracle is unwilling to de-support and reduce costs for any licenses that are unused by the County. Agreement No. 14-055 included support through Oracle first through a self-service portal, before a technician is assigned to troubleshoot and resolve an issue. Through the recommended agreement, Rimini Street will assign a primary support engineer to the County to handle and resolve issues, which will free up Department staff to perform their essential duties. In addition, Oracle is transitioning to cloud-based products, and effective December 31, 2020, will no longer provide support for update or fixes for some of the County's current versions of on-premises Oracle products.

Due to the COVID-19 pandemic and recent economic downturn, Department staff have been searching for opportunities to reduce costs and improve operational efficiencies. Through the proposed agreement, Rimini Street will provide support for the County's existing on-premises Oracle products at half the cost of the services provided by Oracle. The Department will still be able to upgrade to more current versions of on-premises Oracle products as needed.

Rimini Street requires the use of their template contract format, rather than the County's standard model contract template. The recommended agreement contains non-standard indemnity language, a non-standard limitation on liability, and contains no insurance language, including Cyber & Technology Professional Liability. However, upon consultation with Risk Management, the Department believes that the benefits of entering into the recommended agreement outweigh these associated risks.

With your Board's approval of the recommended actions, Rimini Street will provide support for Oracle systems, which are critically important to the County. The Department has determined that the benefits outweigh all potential risks, and that approval of the recommended agreement is in the best interest of the County. The term is for three years and four months so that the County can assess its long-term needs.

REFERENCE MATERIAL:

BAI #47, January 29, 2019

ATTACHMENTS INCLUDED AND/OR ON FILE:

Suspension of Competition Acquisition Request
On file with Clerk - Agreement with Rimini Street, Inc.

CAO ANALYST:

Sonia M. De La Rosa