



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org

Legislative File No: 2023-0202

TO: Mayor and City Council Members
FROM: Rochelle Lyon, Director Management Information Systems
DATE: May 8, 2023
SUBJECT: Oracle Software, Support and Licensing Renewal

REQUEST:

City Council is requested to authorize a blanket purchase order for the annual licensing, software and support services for the City's ERP system, JDEdwards, to Oracle America, Dallas, Texas with payment in c/o Denovo, Boulder, Colorado in the amount of \$239,547.00.

REASON FOR PURCHASE:

The City's MIS division has been going through a process of auditing the City's current software systems to ensure compliance with several varying factors. During a review of the City's ERP system, it was found that licensing was potentially an issue due to increased hires and issuance of W2's over the past few years. The City engaged their JDEdwards managed services partner, Denovo Ventures, to assist the City with a review and reconciliation of licensing for the system. Denovo, utilizing their partner agreement with Oracle, was able to gain clarification on how the City should be accounting for licensing to ensure we can continue remaining compliant moving forward. Based on the clarifications and understanding, it was determined that the City needs to purchase an additional 600 licenses to bring the system into compliance and to allow room to grow in the future.

Denovo was able to utilize their partner agreement, as the City's managed services provider to obtain a 45% discount (a much deeper discount than the City itself could obtain) on the licensing, as long as approval and payment is made prior to May 31, 2023. Due to Denovo utilizing its partner agreement, the City will need to issue payment to Denovo, who will make payment to Oracle America on the City's behalf. Future years support and licensing will be paid directly to Oracle by the City.

The City is recommending moving forward with approval of the purchase of additional licenses to bring the City's ERP system into full compliance with Oracle America's agreement and approves the one (1) year software and support services for the system as well.

PROCESS:

Vendor Name and Address:

Oracle America, Inc.
PO Box 203448
Dallas, TX 75320-3448

Payment in C/O
Denovo

6400 Lookout Road, Suite 101
Boulder, CO 80301

Reason for Selection:
Proprietary Software

Method of Purchase:
Blanket Purchase Order

BUDGET:
Funding is included in the FY 2023 Adopted Budget.

If approved by City Council, a 2nd Quarter Budget Amendment will be presented to increase the Software Maintenance Account by \$30,690 from Retained Earnings.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
MIS	636.934000	Software Maintenance	\$208,860	\$239,547	(\$30,687)

RECOMMENDATION:
City Council is requested to authorize a blanket purchase order for the annual licensing, software and support services for the City’s ERP system, JDEdwards, to Oracle America, Dallas, Texas with payment in c/o Denovo, Boulder, Colorado in the amount of \$239,547.00.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Chief Financial Officer		
Purchasing Process: Procurement Manager		
Mayor		
City Clerk		

Contract Reviewed by City Attorney Yes N/A