CITY OF ROCHESTER HILLS

C lerk's Office

Margaret Strate, Admin. Secretary

DATE: January 18, 2005

TO: City Council Members

RE: Supplemental Information

The following information was provided by Bob Grace, Director of MIS, to supplement the information in your January 19th meeting packet regarding Consent Agenda Item **2005-0015 - PeopleSoft - Yearly Support Contract 2005**.

If you have any questions prior to tomorrow night's meeting, please contact Bob Grace at 248-841-2477.

Thank you.

JDEdwards/PeopleSoft/Oracle Update

My concerns about moving forward with the JDE/PS/Oracle support contract on the January 19th agenda have been removed. Today Oracle announced that they were extending support for our version (XE) of software until February 2007, this is a two-year extension.

My recommendation at this time is to move forward with the JDE/PS/Oracle support contract.

Concerns before this announcement:

- Shortly after PeopleSoft purchased JDE they announced that they would support software versions for four years from date of release.
  - o This meant that support for the PeopleSoft software we are currently using was going to expire at the end of February 2005.
    - Support includes:
      - Phone assistance for problems, procedures or simple questions
      - Program corrections
      - Quarterly/Year end updates, which contain new system features and corrections.
      - Provides for regulatory updates to software and tables
- Wanted to make sure that council understood that even though our JDE/PS/Oracle support contract is for the calendar year, support for our software version would expire March 1st.
  - o Forcing us to upgrade from our current version of software to a newer version. Estimated cost of $291,000.00
  - o This would also require us to upgrade the hardware the software runs on as well. Estimated cost of $256,000.00
  - o These were both budgeted for in the 2005 budget.
  - o If council was not going to support the upgrade then they should not approve the support contract.

Now that Oracle was extended support on XE until February of 2007 we can evaluate the following:

- If and when it makes sense to upgrade our current software package to the next release, which would be 8.12.
- New third party software support vendors that have started business since talk of the merge began.
- Other financial software.