



Agenda Memorandum

Agenda Item -10.C.

City Council Meeting
January 23, 2023



Strategic Priority 5: Robust Infrastructure

Provide safe and equitable access to core services and amenities by safeguarding, maintaining and improving the city's water, wastewater, stormwater, mobility and roadway systems.

Subject: Sole Source Waiver for the Purchase of 50 Additional One View Reporting Licenses with Support in the JD Edwards EnterpriseOne Enterprise Resource Planning System with DLT Solutions, LLC and Sole Source Waiver for Renewal of the Support and Licensing Agreement of JD Edwards EnterpriseOne Enterprise Resource Planning System with DLT Solutions, LLC.

Prepared By: Larry Garlick, Information Technology Services Administrator
Emily Littlejohn, Information Technology Director

Recommended City Council Action:

1. Based on a recommendation of the City Manager, City Council finds the public interest will best be served by authorizing the City Manager to waive the City's bidding requirements to purchase 50 additional One View Reporting licenses and support from DLT Solutions, LLC in an amount not to exceed \$56,325 in 2023. One View Reporting licenses provide enhanced features, alerts, and notifications for Staff within the JD Edwards Enterprise Resource Planning System.
2. Based on a recommendation of the City Manager, City Council finds the public interest will best be served by authorizing the City Manager to waive the City's bidding requirements to renew a support and licensing agreement with DLT Solutions, LLC for Oracle's JD Edwards EnterpriseOne Enterprise Resource Planning system for an additional two-year term in an amount not to exceed \$396,950 over the contract term subject to annual appropriations.

Summary Statement:

- For the past 22 years, the City has used JD Edwards EnterpriseOne for financials, human resources, budgeting, and other services. Oracle owns this suite and in 2017 designated DLT

Solutions, LLC as the sole reseller for JD Edwards EnterpriseOne support. The City's current contract has been with DLT Solutions, LLC for JD Edwards EnterpriseOne support since 2017.

- The current approved 2023 annual support cost for JD Edwards EnterpriseOne totals \$145,835, funded in the Information Technology Department approved operating budget. The current contract with DLT Solutions, LLC expires January 31, 2023. The City desires to renew the contract for another two-year term to maintain the stable, consistent value the City has received from this application.
- The expiring contract limits support increases to a 3% cap annually. Due to the current economic forecasts, DLT Solutions, LLC requested an increase to meet inflation. The City negotiated a 6% annual cap on support increases.
- Further, the City desires to increase the number of One View Reporting licenses by 50 in 2023 to expand the use of this feature at an approximate cost of \$51,205 for licensing and support. This purchase is scheduled for the second half of 2023 and DLT Solutions, LLC could only give a budgetary quote with a rough order of magnitude. A 10% adjustment was made to the budgetary quote to ensure appropriate authorization totaling an amount not to exceed \$56,325 in 2023.

Fiscal Impact:

\$56,325 in expenditures for 2023

\$340,625 in expenditures for 2024-2025

Source of Funds:

General Capital Improvement Fund: JD Edwards System Capital Improvement Project

General Fund: Information Technology Approved Operating Budget

Policy Issue(s):

1. Should City Council authorize the purchase of 50 additional licenses and support for One View Reporting in JD Edwards EnterpriseOne (JDE)?
2. Should City Council authorize the renewal of the JDE support agreement with DLT Solutions, LLC (DLT) for another two years to maintain support of financial, payroll, budgeting, and workforce applications?

Alternative(s):

- City Council could choose not to renew the support contract for JDE. This is not recommended because support is necessary to keep JDE functioning for City financial, payroll, budgeting, and workforce applications.
- City Council could choose not to purchase 50 additional One View Reporting licenses but approve the renewal of the support agreement with DLT. This alternative is not recommended as these licenses provide Staff with efficient, sophisticated reporting tools.

- City Council could choose to neither purchase 50 additional One View Reporting licenses nor renew the support agreement with DLT. This is not recommended as it would leave the City without critical JDE support and valuable reporting licenses within JDE.

Background Information:

The City implemented JDE (previously called OneWorld) Enterprise Resource Planning system in 2001 to handle the City's financials, payroll, and human resource processes. The system has been maintained by the Human Resources, Finance, and Information Technology Departments for 22 years and is a primary source for financial and workforce information.

DLT was established in 1991 and works with government entities as a technology reseller. The City has used this vendor for other technology purchases in the past. In 2017, Oracle directed the City to use DLT for support and additional licensing of Oracle products. The City piggybacked on an existing cooperative agreement DLT had with Maricopa County, Arizona and established deep discounts for the City due to the longevity of its relationship with JDE. The current contract caps annual increases in support to 3%.

The current contract expires January 31, 2023. The City is renewing the contract for another two-year term to maintain support for the system through 2025. Due to economic pressures, DLT asked for an inflationary increase in the annual support cap. The City negotiated a 6% cap, which is several percentage points under the current inflationary index.

One View Reporting licenses within JDE provide staff the ability to more easily digest JDE data through enhanced features, alerts, and notifications. The City desires to purchase an additional 50 licenses in 2023 to offer a further set of staff this value-added tool.

The following chart provides a breakdown on total expected costs of licensing and support for the JDE system over the life of the new contract:

Detail of JDE Licensing and Support Costs Requesting Authorization 2023-2025

Year	Annual Support Cost	With One View Licensing Added*	Total Annual Cost	Cumulative Cost
2023	Previously Authorized	\$56,325	\$56,325	\$56,325
2024	\$ 154,585	\$10,767	\$165,352	\$221,677
2025	\$ 163,860	\$11,413	\$175,273	\$396,950
Total	\$ 318,445	\$78,505	\$396,950	

*The attached One View licensing and support quote is a budgetary quote using a Rough Order of Magnitude (ROM). To ensure appropriate authorization an adjustment of 10% variance was added to the amount. A more specific quote will be requested in the second half of 2023.

Pursuant to Westminster Municipal Code, sole source purchases exceeding \$50,000 in any one year require City Council approval. This purchase requires the expenditure not to exceed \$56,325 in 2023 and not to exceed \$396,950 in the subsequent two-year term of the contract.

This purchase supports the City's strategic priority of a robust infrastructure by maintaining tools that enhance Staff efficiency and provide a high degree of timeliness and accuracy in reporting.

Respectfully Submitted,

Mark A Freitag

Mark A. Freitag
City Manager

Attachments:

JDE Third Amendment
JDE Quote
JDE Master Contract