

## DEPARTMENTAL INPUT

### CONTRACT/PROJECT MEASURE ANALYSIS AND RECOMMENDATION

New   
  OTR   
  Sole Source   
  Bid Waiver   
  Emergency   
 Previous Contract/Project No. BW7289-4/08-7

Contract  
 Re-Bid     Other   
 LIVING WAGE APPLIES:  YES     NO

Requisition No./Project No.: RQET1700005   
 TERM OF CONTRACT: 5 YEAR(S) WITH 0 YEAR(S) OTR

Requisition /Project Title: Oracle Master Agreement

Description: The purpose of this Contract is to establish a Master Agreement with Oracle America Inc for the purchase of Oracle Licenses, Hardware, Cloud, Consulting, and Maintenance and Support Services. The resultant Master Agreement will be awarded on behalf of ITD.

Issuing Department: ITD   
 Contact Person: Beth Goldsmith   
 Phone: 305-375-5683

Estimate Cost: 44,000,000

Funding Source:   
GENERAL   
FEDERAL   
OTHER

### ANALYSIS

<b>Commodity Codes:</b>	<span style="border: 1px solid black; padding: 2px;">205-62</span>	<span style="border: 1px solid black; padding: 2px;"></span>	<span style="border: 1px solid black; padding: 2px;"></span>	<span style="border: 1px solid black; padding: 2px;"></span>
Contract/Project History of previous purchases three (3) years Check here <input type="checkbox"/> if this is a new contract/purchase with no previous history.				
	<b><u>EXISTING</u></b>	<b><u>2<sup>ND</sup> YEAR</u></b>	<b><u>3<sup>RD</sup> YEAR</u></b>	
<b>Contractor:</b>	<span style="border: 1px solid black; padding: 2px;"></span>	<span style="border: 1px solid black; padding: 2px;"></span>	<span style="border: 1px solid black; padding: 2px;"></span>	
<b>Small Business Enterprise:</b>	<span style="border: 1px solid black; padding: 2px;"></span>	<span style="border: 1px solid black; padding: 2px;"></span>	<span style="border: 1px solid black; padding: 2px;"></span>	
<b>Contract Value:</b>	<span style="border: 1px solid black; padding: 2px;"></span>	<span style="border: 1px solid black; padding: 2px;"></span>	<span style="border: 1px solid black; padding: 2px;"></span>	
<b>Comments:</b>	<span style="border: 1px solid black; padding: 2px;"></span>			
Continued on another page (s): <input type="checkbox"/> YES <input type="checkbox"/> NO				

### RECOMMENDATIONS

	Set-aside	Sub-contractor goal	Bid preference	Selection factor
<b>SBE</b>	<span style="border: 1px solid black; padding: 2px;"></span>	<span style="border: 1px solid black; padding: 2px;"></span>	<span style="border: 1px solid black; padding: 2px;"></span>	<span style="border: 1px solid black; padding: 2px;"></span>
<b>Basis of recommendation:</b> <span style="border: 1px solid black; padding: 2px; height: 20px;"></span>				
Signed: <span style="border: 1px solid black; padding: 2px;">Beth Goldsmith</span>		Date sent to SBD: <span style="border: 1px solid black; padding: 2px;">3/5/2019</span>		
		Date returned to DPM: <span style="border: 1px solid black; padding: 2px;"></span>		



**Justification/Input Document for Non-Competitive Acquisition**

It is the policy of Miami-Dade County to consistently purchase goods and services using full and open competition. The citizens of Miami-Dade County are best served when we make sound business decisions based on competitive bids or proposals. Early acquisition planning that includes consultation with Internal Service Department's procurement staff can help avoid delays and facilitates effective market research. However, there may be instances when other than full and open competition may be justified. When a user department(s) determines that other than full and open competition is necessary or in the best interest of the County, appropriate justification for that course of action must be submitted to ISD for approval and execution in order to waive the competitive bid/proposal process.

*Please provide the information requested below to support the need and feasibility for waiving the competitive bid/proposal process:*

Department:	ITD - Enterprise		
Contact Person:	Mirta Cardoso	Phone Number:	305-596-8690
Requisition No.:	RQET1700005	Estimated Value:	\$23,000,000 (3 years)
Proposed Vendor:	Oracle USA Inc.,		
Previous Contract Number:	BW7289 - 4/08 - 7	Previous Contract Value:	\$ 25,139,999.97 (44 months)

**Purpose of the Purchase**  
*Please describe your minimum requirements and the benefits of making the acquisition.*

This is a request to renew the Master Oracle licenses and services agreement with Oracle USA Inc., to support a large base of existing systems. The renewal contract will replace contract BW7289-4/08-4, due to expire on 03/31/2019.

**Best Interest of the County / Uniqueness of Product**  
*Please provide a detailed description as to why a waiver of formal bidding is in the County's best interest (e.g., product standardization, compatibility, proprietary access or distributorship, how vendor is uniquely qualified to provide the needed product or service, etc.). Please note that a lack of advance planning is not an acceptable justification for a non-competitive acquisition.*

The county has invested more than 20 years and in excess of \$82 million since Oracle was made the county's standard distributed database. In addition, Oracle is now the copyright holder for the Customer Care & Billing (CC&B) platform used by WASD, and ERP Peoplesoft platform, database, as well as the hardware under the previous company names Sun, Storage Tek, and Exadata, which are all products the county utilizes in support of multiple critical applications. Oracle products support mission-critical systems countywide including: 311, ERP, EAMS, EDMS/Documentum ECM/IWA, Human Resources, Seaport, DTPW, WASD, MDPD, Aviation and others. For operational continuity, it is in the best interest of the County to enter into a new long term contract with Oracle.

Oracle's Peoplesoft line of products was chosen through a competitive process as the ERP software to be implemented countywide. The County has invested in excess of \$30 million in the initial Peoplesoft ERP implementation.

**Market Research**

*Please describe your market research and the results thereof. This should include a description of other, similar sources or products available in the market if any and why they are not acceptable.*

From Gartner analysis: Oracle is the second-largest vendor in the global software market after Microsoft, with an estimated total software market share of 6.6% and revenue of approximately \$30 billion per year. Since Oracle owns Java, it's safe to say that almost 100% of the world's organizations use Oracle in one form or another, with 420,000 organizations, including all of the global enterprises, actually paying for it (Java being provided free of charge). Originally, Oracle was mainly a producer of database software, which Gartner estimates contributes 46.5% to its business. While its portfolio extends far beyond Database Management Systems now, Oracle's significance in the database market is such that Gartner named Oracle the market share leader with 41.3% of the global DBMS market in 2015. Oracle has the broadest product portfolio in the DBMS and ERP market, as evidenced in the quadrant for operational database management systems in Gartner's "Magic Quadrant for Operational Database Management Systems Management, attached under separate cover.

Significant investments in application products such as ERP and CCNB require a 10 to 12 year period to allow for depreciation of the investment. Periodically, ITD conducts market research to determine new capabilities, requirements, and the feasibility of replacement solutions. Similarly investment in DBMS (Database Management Systems) are closely aligned with major applications and kept for similar periods. However, whenever feasibly possible, lower cost alternatives particularly in the open-source environment are researched and utilized as a replacement to specific applications thereby reducing the dependency on one particular vendor. Replacement in hardware infrastructure generally follows market research during major recapitalization periods and/or new advanced features.

The following is an example that supports this legacy concept: The requested allocation includes \$250,000 annually over the next 3 years to maintain an annual Oracle hardware support contract (\$100,000) and to upgrade 10 end of life Oracle 9940-B tape drives each year (150,000). The risk of not having a hardware support contract could impact data protection and recovery services and possibly lead to data loss. Replacing aging or end of life hardware is a vital step in product life-cycle management to ensure production environments are kept up to date and in optimal functional state. Incompatibility between different vendor hardware prevent the use of non-Oracle tape drives within the Oracle tape silo subsystem.

The currently installed Oracle silos are still being sold by Oracle as the flagship enterprise silo. This gives MDC a greater ROI on already invested capital. The cost of replacing 30 Oracle tape drives over the next 3 years represents a fraction of the cost when compared to \$2,500,000 in hardware cost only to replace the existing Oracle tape infrastructure with an equally configured HP hardware solution. A change in vendor hardware will require additional staff training and reconfiguration of the current backup software.

Summary: The \$250,000 annually (\$750,000 for 3 years) being requested, provides the County with a substantial lower cost option when compared to switching to a different manufacturer's product such as HP (\$2.5 million). When the currently installed Oracle tape silos are deemed end of life, the County will have the opportunity to purchase new tape silo(s) through a competitive solicitation process.

**Proposed Actions**

*Please describe the actions the department will take to overcome the present barriers to competition prior to any future acquisitions of this product or service.*

This item cannot be competed at this time for the reasons described above and must be maintained and upgraded by the copyright holder. ITD continually evaluates the county's technology needs and we utilize competitive solicitations whenever possible, especially when new solutions or a replacement to an obsolete solution is needed.



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Department Director's Approval

2/15/2019

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Date Approved