

October 16, 2017

## **CITY COUNCIL AGENDA MEMORANDUM**

### **SUBJECT**

Resolution granting authority to approve the on-going annual purchase orders or contracts with Mythics, Inc. (and future successor(s), if any), for JD Edwards EnterpriseOne (JDE) maintenance and support services for amounts anticipated and budgeted in the applicable biennial budget.

### **FISCAL IMPACT**

The City uses Oracle JDE as its financial and human resources software solution. JDE requires annual maintenance and support services and was approved in the original request to Council for the software purchase in 2003. Each budget cycle, the Information Technology (IT) Department submits for approval the cost of JDE annual maintenance and support services. The maintenance and support services currently costs \$141,013.21 per year plus applicable taxes.

Total expenditures for JDE maintenance and support will be monitored by the IT department and IT will continue to submit for approval the JDE annual maintenance and support costs in its budget requests. This cost was anticipated and budgeted in the 2017-2018 budget.

### **STAFF CONTACT**

Sabra Schneider, Director, 452-4890  
*Information Technology Department*

### **POLICY CONSIDERATION**

Bellevue City Code;

4.28.130 (5) Noncompetitive purchase.

The finance director or his/her designee shall be authorized to make open market purchases of materials, supplies, and equipment and to procure services without obtaining competitive bids or quotations if it is a Single or Sole Source.

4.28.120 Professional service contracts.

For contracts for professional services, the finance director is authorized to promulgate procedures and standards for the approval and administration of such contracts. The Guide to Procurement provides procedures that require all purchases \$90,000 or greater to be brought to Council for approval.

The aggregate value of the annual purchase orders for JDE maintenance and support services with Mythics, Inc. exceeds \$90,000, Council authority is required.

### **BACKGROUND**

On June 30, 2003, Council approved an enterprise resource planning system Purchase Agreement with AMX International, Inc. (AMX) for the Oracle JDE software solution. Resolution 6867 approved the software purchase and the on-going annual maintenance services.

Annual maintenance and support of Oracle's JDE software solution is required and necessary to continue the health and viability of the system. Oracle is the sole source provider of maintenance and support services for JDE and authorizes a limited number of resellers for those services. AMX International, Inc. was a third-party re-seller of Oracle JDE at the time the City implemented the system in 2003.

In 2014, AMX was no longer available to the City as an authorized Oracle re-seller for maintenance and support services. If for any reason the City does not continue to secure annual maintenance and support services for JDE (i.e. maintenance services lapse) the City will be assessed a significant penalty (currently \$141,013.21), in addition to the annual maintenance costs, when it reinstitutes an annual maintenance program with a vendor. To avoid disruption of services and the assessment, the City procured Mythics, Inc., (Mythics) the successor to AMX, through a cooperative purchasing method. Mythics has been the City's JDE maintenance and support provider since 2014, replacing AMX.

Oracle is the sole source provider of maintenance and support services and authorizes a limited number of third party sellers of that service. The city encourages the use of cooperative purchasing to obtain more competitive pricing and efficiency in the best interest of the City. Mythics, Inc. is an authorized third-party re-seller for JDE maintenance and support services and can be procured as a piggyback through The Cooperative Purchasing Network.

#### **EFFECTIVE DATE**

If approved, this Resolution becomes effective immediately upon Council adoption.

#### **OPTIONS**

1. Adopt the Resolution granting authority to approve the on-going annual purchase orders or contracts with Mythics, Inc. (and future successor(s), if any), for JD Edwards EnterpriseOne (JDE) maintenance and support services for amounts anticipated and budgeted in the applicable biennial budget.
2. Do not adopt the Resolution and provide alternative direction to staff.

#### **RECOMMENDATION**

Option 1

#### **MOTION**

Move to adopt Resolution No. 9322 granting authority to approve the on-going annual purchase orders or contracts with Mythics, Inc. (and future successor(s), if any), for JD Edwards EnterpriseOne (JDE) maintenance and support services for amounts anticipated and budgeted in the applicable biennial budget.

#### **ATTACHMENTS**

Proposed Resolution No. 9322

#### **AVAILABLE IN COUNCIL DOCUMENT LIBRARY**

N/A