



Finance and Administrative Services Department • Enterprise Resource Planning
115 South Andrews Avenue, Room 406 • Fort Lauderdale, Florida 33301-2919 • 954-357-6353

Date: May 24, 2017

To: Brenda J. Billingsley, Director of Purchasing
Purchasing Division

From: James Carbone, ERP Program Director
Finance and Administrative Services Department

A handwritten signature in blue ink, appearing to read "James Carbone".

Digitally signed by JAMES CARBONE
DN: dc=city, dc=broward, dc=bc, ou=Organization,
ou=BC, ou=DMB, ou=Users, cn=JAMES CARBONE
Date: 2017.05.24 10:26:00 -0400

Re: REQUEST FOR Only Reasonable Source and Request to Negotiate:

Oracle Americas, Inc., (Oracle) or designated Oracle Authorized Reseller for the conversion of licenses from Oracle's Hyperion Public Sector Planning and Budgeting, "on-premises" to Oracle Planning and Budgeting Cloud Services Software Solution, including resources for Professional Services by negotiating and approving the most appropriate contract vehicle(s) for the Oracle Planning and Budgeting Cloud Services configuration and implementation.

Acknowledged:

"I have reviewed the following brand justification and concur with subject request, fully understanding the implications of Section 838.22 of Florida Statutes, viz:

- (2) It is unlawful for a public servant, with corrupt intent to obtain a benefit for any person or to cause unlawful harm to another, to circumvent a competitive bidding process required by law or rule by using a sole source contract for commodities or services.
- (5) Any person who violates the section commits a felony of the second degree, punishable as provided in §775.082, §775.083, §775.084."

Background:

On May 13, 2014, (Item No. 51), the Board approved five agreements resulting from Request for Letters of Interest ("RLI") No. R0866301R2 for the procurement and implementation of the County's new Centralized Enterprise Resource Planning (ERP) Solution. Sierra-Cedar, Inc., (Sierra-Cedar) formerly known as CedarCrestone, Inc., is currently providing the necessary implementation services for the County's ERP system. Oracle specific software was procured through Oracle's Authorized Reseller, Mythics, Inc., for Software Licenses, Maintenance, and Software Support utilizing GSA Contract No. GS-35F-0153M for both Oracle's PeopleSoft licenses and Oracle's Hyperion Public Sector Planning and Budgeting (Hyperion PSPB) software licensing.

Oracle has enhanced the Hyperion PSPB "on-premises" software by re-architecting the software code (i.e., replacing obsolete Cobol and other coding used in the legacy Hyperion product with current standard software programming languages and standards) and by now offering the product in a Software-as-a-Service (SaaS) deployment, "on the cloud," meaning that the software is installed, managed, maintained, monitored, performance tuned, backed-up, and accessible through Oracle

Corporation's "cloud based" service. The re-engineered software deployed in a SaaS model is called, "Oracle Planning and Budgeting Cloud Services," (Oracle PBCS).

Oracle PBCS is a completely different licensing structure. Unfortunately, the existing Mythics contract did not contemplate the new licensing structure; therefore we must modify down the existing contract and negotiate a new contract that addresses the new Oracle PBCS Cloud licensing through an alternate contract source, possibly with an alternate Oracle Reseller or directly with Oracle.

The analysis below financially justifies the requested change from Hyperion PSPB to Oracle PBCS. The analysis considers software licensing, maintenance, implementation, and hosting costs for the Hyperion PSPB solution as currently contracted, and compares these costs to the estimated costs associated with the Oracle PBCS model. Costs for the Oracle PBCS model include SaaS subscription fees in lieu of software maintenance and hosting fees, and estimated savings due to reduced implementation costs for the cloud-based Oracle PBCS solution.

The new software will be used by the Office of Management & Budget (OMB) to facilitate preparation of annual recommended and adopted fiscal year and multi-year ("no-calendar") budgets; to prepare budget forecasts; to document budget related performance measures; and to publish budget documents. The solution contracted with the selected supplier was Oracle Hyperion Public Sector Planning and Budgeting, (Hyperion PSPB).

Professional services for implementation and configuration may be procured from the license owner, Oracle, in partnership with the County.

Analysis and Justification:

Current Hyperion PSPB Solution: The ERP (one-time) software licensing costs contracted through Mythics totaled \$2,320,736 of which the licensing cost for Hyperion PSPB totaled \$303,800. ERP (recurring) software maintenance costs through Mythics total \$510,562 annually, of which the software maintenance costs for Hyperion PSPB total \$66,836 per year. Implementation services (one-time) to be provided for Hyperion PSPB by SCI total \$1,479,120. Pre-implementation training costs (one-time) in Hyperion PSPB for ERP project staff and OMB staff is estimated at \$14,717. Costs for hosting services to SCI for "on-premises" software hosting include a one-time activation fee of \$17,000; estimated eight months of implementation hosting costs @ \$18,000 per month for a total pre-implementation hosting cost of \$161,000 followed by monthly production hosting fees of \$16,000 or \$192,000 annually.

Total one-time costs for Hyperion PSPB are: \$1,975,637
Annual recurring costs for Hyperion PSPB are: \$258,836

Proposed Oracle PBCS Solution: Estimated 120 users @ \$78 per month totals \$9,360 per month subscription fee, or \$112,320 annually. There is no additional license purchase, no maintenance or hosting fees required in the Software-as-a-Service (SaaS) model.

Implementation timeframe is estimated by Oracle to require four months; for possible contingency and delay, this analysis assumes six months for implementation. Prorating the 8 months implementation cost described above for Hyperion PSPB and assuming the same consulting services and rates for 6 months implementation of Oracle PBCS results in $6/8 \times \$1,479,120 = \$1,109,340$. The assumption of comparable consulting services is conservative because the Oracle PBCS solution requires less configuration than the Hyperion PSPB solution currently under contract. A similar assumption applies to training, and for estimation purposes, the same training cost is assumed in estimating the total one-time costs for the Oracle PBCS solution.

Total one-time costs for Oracle PBCS are: \$1,124,057
Annual recurring costs for Oracle PBCS are: \$112,320

One-time (estimated) cost savings by converting Hyperion PSPB to Oracle PBCS:	\$ 851,580
Recurring annual cost savings by converting Hyperion PSPB to Oracle PBCS:	\$ 146,516
Estimated savings over five years (one-time and recurring):	\$1,584,160

Recap:

This request is to authorize the Purchasing Director to negotiate and approve the most appropriate contract vehicle for configuration and implementation services and, to negotiate and approve the most appropriate contract vehicle acknowledging the current Oracle Hyperion Public Sector Planning and Budgeting (Hyperion PSPB) County owned licenses conversion to Oracle Planning and Budgeting Cloud Services (Oracle PBCS) licensing.

**** DO NOT WRITE BELOW THIS LINE. FOR PURCHASING DIVISION USE ONLY**

I Leahann Licata LEAHANN LICATA Digitally signed by LEAHANN LICATA
DN: cn=cy, dc=broward, dc=fl,
ou=Organization, ou=ICC, ou=PU,
email=LEAHANN.LICATA@broward.org, o=, concur with the above request, which has been examined by me, and the required due diligence has been performed (See Procurement Code Section 21.34 Sole Source Procurement, and 21.35 Sole Brand Procurement).

Date: 05/24/2017

Only one source

Sole Brand

Only one reasonable source

RFI Attached

Estimated Amount: \$ 418,993 - initial year Rejected – See additional information

Additional Information: _____

EXHIBITS: (Attach Supporting Documentation)

Signature: For Brenda J. Billingsley

Title: Director of Purchasing

Approved by the appropriate Award Authority

Date: May 25, 2017