

STATEMENT OF BUDGET IMPACT
(Policy Number 94-45)
Budgetary Review of Proposed Resolution &
Ordinances with Financial Implication.

Date: December 11, 2019

BIS 20 – 026

FILE: TMP-2019-350

Proposed Legislation:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, APPROVING AND AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO EXECUTE AN AMENDMENT TO THE EXISTING AST MASTER SERVICES AGREEMENT AND RELATED ORDERING DOCUMENTS FOR THE ORACLE ENTERPRISE RESOURCE PLANNING SOFTWARE (PREVIOUSLY APPROVED BY RESOLUTION NO. R-2017-265), IN ORDER TO PURCHASE AN ORACLE COMMUNITY DEVELOPMENT SUITE SOFTWARE TO REPLACE OUTDATED SOFTWARE FOR THE BUILDING DIVISION IN THE DEPARTMENT OF DEVELOPMENT SERVICES IN AN AMOUNT NOT TO EXCEED \$559,975.00 FOR THE FIRST YEAR; DECLARING THAT IT IS IN THE BEST INTEREST OF THE CITY TO WAIVE COMPETITIVE BIDDING PURSUANT TO SECTION 38.40(C)(8) OF THE PURCHASING ORDINANCE.

Statement of Budget Impact:

1. ☐ No Budget Impact associated with this action;
2. ☒ Sufficient budgetary resources identified/available;
3. ☐ Budgetary resources not identified/unavailable;
4. ☐ Potential Revenue is possible with this action;
5. ☒ Will not increase the cost of Housing;
6. ☐ May increase the cost of Housing; (CDAB review required)

Explanation:

This Resolution amends the agreement with AST, the City's selected vendor for purchase and implementation of Oracle. The City selected the Oracle product via resolution R-2017-265, to update legacy systems for accounting, payroll, human resources, procurement and budget. The Department of Development Services has determined that Oracle offers a module that could be used by the Building Division.

Due to the structure of the agreement, the proposed resolution seeks approval for the first year of the contract in an amount of \$559,975 with ongoing renewals that will incur additional costs. The capital purchase is anticipated to occur over a span of two years for a total cost of \$1,049,550. The capital cost includes license software fees and production support.

Software and support will continue annually at a cost of between \$128,775 and \$147,045. The City's total cost of the contract, if all renewals are exercised, will be \$2,085,218.

Funding for the capital purchase in the amount of \$1,049,550 has been included on a companion budget amendment resolution. Additionally, funding in the amount of \$250,000 was included on the companion resolution for implementation costs. Implementation costs could include contractual services, equipment purchases, and additional staffing. It is anticipated that there will be additional implementation costs in year two that will need to be funded. The capital purchase and the implementation will be funded by the Building Division.

The annual software costs for years 3 through 10 will be requested as part of subsequent fiscal year's operating budgets subject to the approval and adoption by the City Commission. These costs will be split 90% to the Building Division and 10% to the Planning Division. It is allowable for the Building Division to pay the costs for users in Engineering, Fire, Utilities and Code Compliance but excludes Planning.

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