SUBJECT: ENTERPRISE RESOURCE PLANNING (ERP) SOFTWARE AS A SERVICE SOLUTION

BID #: ESC-0549-16 **OPEN DATE: 12/14/2016**

COMPETITIVE SEALED PROPOSAL EVALUATION COMMITTEE

KIND AND BASIS OF CONTRACT: Service Contract

AGENCY: Information Technologies Division

BASIS OF AWARD: Highest Scoring Bidder Based On Evaluation Criteria

NUMBER OF BIDS INVITED: (23) NUMBER RECEIVED: (8) OTHER: (1)

SUMMARY OF BIDS AND RECOMMENDED ACTIONS:
Recommend approval to increase the award with Applications Software Technology, LLC (AST) in the amount of $90,000.00 for Master Services Contract with AST to provide post-implementation support services. The increase request includes 665 hours of remote support services from AST for the Oracle 1Cloud system. The increase is based on the remote AST services rate of $180.00 per hour and $215.00 per hour for onsite support services. The revised total contract expenditure not-to-exceed $29,862,070.72.

Funding to be encumbered by various account 53101-113001-531090, to be executed by formal contract amendment (Contract#10420) through the Office of General Counsel.

ATTACHMENTS: Recommendation Memo, Previous Awards

ANALYST: _____ **RESPECTFULLY SUBMITTED** _____
RUBEN OLA
GREGORY PEASE, CHIEF
PROCUREMENT DIVISION

CONCURRENCE BY: **Kenneth Lathrop, Chief of Information Technologies/CIO**

(ALL AWARD ACTIONS SUBJECT TO LAWFULLY APPROPRIATED FUNDS)
ACTION OF CSPEC COMMITTEE ON RECOMMENDATIONS ABOVE

MEMBERS APPROVING _____ MEMBERS DISAPPROVING _____ DATE: _____

_____ _____ OTHER: _____

_____ _____

_____ _____

_____ _____

_____ _____

ACTION OF AWARDING AUTHORITY DATE _____

APPROVED _____ DISAPPROVED _____

OTHER _____

SIGNATURE OF AUTHENTICATION _____

City of Jacksonville, Florida

Lenny Curry, Mayor

Information Technologies Division
Ed Ball Building
214 N. Hogan Street, Suite 900
Jacksonville, Florida 32202

ONE CITY. ONE JACKSONVILLE.

July 29, 2020

TO: Gregory W. Pease
Chief of Procurement

VIA: Kenneth Lathrop
Chief of Information Technologies/CIO

Kenneth E. Lathrop — Digitally signed by Kenneth E. Lathrop Date: 2020.08.06 10:34:54 -04'00'

FROM: Michael Turner
PMO Manager, Information Technologies Division

Michael S. Turner — Digitally signed by Michael S. Turner Date: 2020.08.06 10:23:36 -04'00'

SUBJECT: ESC-0549-16-Enterprise Resource Planning (ERP)-Master Services Contract-Implementation Services-Amendment #4

On March 15, 2018, the City awarded Applications Software Technology, LLC (AST)/Oracle for the use of the Oracle SaaS ERP solution and for the services required to implement the Oracle SaaS ERP solution. The following contracts / agreements with Oracle and AST executed on March 28, 2018:

- **Master Services Contract with AST (Exhibit 1), City Contract 10420:** The Master Services Contract specifies the professional services required to implement the Oracle SaaS ERP solution (e.g. the service applications listed in the Ordering Document). The term of these agreements is for five (5) years with an option to renew for up to three (3) additional years. This contract has two (2) attachments:
    - Statement of Work (Exhibit 1A): Defines all services AST will provide to deliver fully functional Financial, Purchasing, Budget Development, Human Resources, and Payroll system to the City.
    - Payment Schedule (Exhibit 1B): Lists all payment amounts for deliverables by estimated completion date for all project phases.
- **Cloud Services Agreement with Oracle (Exhibit 2), City Contract 10180-01:** This document, and the negotiated Amendment (Exhibit 2A), governs the City's use of the Oracle SaaS ERP products described in the Ordering Document. The term of this agreement is for eight (8) years with the option to renew for up to three (3) additional years. This agreement also references the following Oracle policy documents:
    - Oracle Cloud Hosting and Delivery Policies (Exhibit 2B)
    - Data Processing Agreement (Exhibit 2C)
    - Oracle Services Privacy Policy (Exhibit 2D)
    - Service Specifications (Exhibit 2E)

- **Ordering Document with AST (Exhibit 3), City Contract 10421:** This document lists the ERP service applications (e.g. software modules) that the City is purchasing through this subscription agreement (with AST being a certified re-seller of Oracle cloud services). The term of this agreement is for one (1) year with the option to renew for up to seven (7) additional years. The maximum indebtedness for this contract will increase each year the City exercise the option to continue using the Oracle SaaS ERP solution by the amount specified for the Option Years within the agreement.

On March 28, 2018, the City established the contracts with the not-to-exceed amount of $23,063,150.00 for the Master Services Contract (implementation services) and $1,234,201.20 for the Ordering Document (SaaS subscription services), for a total maximum indebtedness for all contracts of $24,297,351.20.

On December 13, 2018, the City awarded the Project Change Order Request - P1.CR-01 - Credit Card Vendor Payments for $28,800. The amended contract with the not-to-exceed amount of $23,091,950.00 for Master Services Contract (implementation services) and $1,234,201.20 for the Ordering Document (SaaS subscription services), for a total maximum indebtedness for all contracts of $24,326,151.20.

On April 4, 2019, Project Change Order Request - SOA.CR-01 - Technical Training Classes was awarded for $45,000 and the 1st Renewal Option of the Ordering Document was awarded in the amount of $1,708,320.99. The change order increased the Master Services Contract (implementation services) not-to-exceed amount to $23,136,950.00. The 1st Renewal Option increased the Ordering Document (SaaS subscription services) not-to-exceed amount to $3,353,922.59, for a total maximum indebtedness for all contracts of $26,490.872.59.

On May 2, 2019, the City awarded the 1st Renewal Option of the Ordering Document-Amendment #1 to decrease the award for the Ordering Document (SaaS subscription services) due to the removal of specific products of the Data Integration Platform Cloud (DIPC) services. The amendment decreased the Ordering Document (SaaS subscription services) by $97,620.32 to adjust the annual not-to-exceed amount to $1,610,700.67 and the total not-to-exceed amount to for SaaS Subscription Services to $3,256,302.27. The amendment revised the total maximum indebtedness for all contracts to $26,393,252.27.

On May 23, 2019, the City awarded the 1st Renewal Option-Amendment #2 to increase the award for the Ordering Document (SaaS subscription services) due to the replacement of the new products and part numbers of the Data Integration Platform Cloud (DIPC) services. The amendment increased the Ordering Document (SaaS subscription services) by $97,450.32 to adjust the annual not-to-exceed amount to $1,708,150.99 and the total not-to-exceed amount to for SaaS Subscription Services to $3,353,752.59. The amendment revised the total maximum indebtedness for all contracts to $26,490,702.59.

On October 24, 2019, the City awarded the 1st renewal Option-Amendment #3 to increase the award for the Ordering Document (SaaS subscription services) due to the need for three (3) additional test instances. The amendment increased the Ordering Document (SaaS subscription services) by $8,728.13 to adjust the annual not-to-exceed amount to $1,716,879.12 and the total not-to-exceed amount to for SaaS Subscription Services to $3,362,480.72. The amendment revised the total maximum indebtedness for all contracts to $26,499,430.72.

On December 5, 2019, the City awarded the Project Change Order requests, P1.CR.09 Phase 1 Go-Live Extension and P3.CR.02 COA Synch between GL and EPM. The amendment increased the Master Services Contract (implementation services) by $1,520,278.00 to adjust the not-to-exceed amount to $24,657,228.00. The amendment revised the total maximum indebtedness got all contracts to $28,019,708.72.

On May 19, 2020, the City awarded the 2nd renewal option-Amendment #4 to increase the award for the Ordering Document (SaaS subscription services). The amendment increased the Ordering Document (SaaS subscription services) by $35,482.88 to adjust the annual not-to-exceed amount to $1,752,362.00 and the total not-to-exceed amount to for SaaS Subscription Services to $5,114,842.72. The amendment revised the total maximum indebtedness for all contracts to $29,772,070.72.

Master Services Contract with AST (Exhibit 1), City Contract 10420:
The Information Technologies Division, (ITD) requests to increase the Master Services Contract with AST to provide post-implementation support services. This increase request includes 665 hours of remote support services from AST for the Oracle 1Cloud system. There are technical and functional items that the team will need assistance from AST to complete. The increase is based on the remote AST services hourly rate of $180.00 per hour, totaling $90,000.00. In the case that the conditions require and allow for onsite support services, the rate would be calculated at $215.00 per hour.

This amendment request #4, once approved will require an amendment to the Master Services Contract with AST (Exhibit 1). A separate purchase order will be issued to track and pay for services. This amendment will increase the Master Services Contract (implementation services) not-to-exceed amount to $24,747,228.00, for a total maximum indebtedness for all contracts to $29,862,070.72.

CSPEC Award Date	Award	Master Services Contract with AST (Exhibit 1): Implementation Services	Ordering Document with AST (Exhibit 1): SaaS Software Subscription	Total Not-To Exceed
03/15/18	Initial Award - Master Services Contract with AST (Implementation Services), Cloud Services Agreement with Oracle, Ordering Document (SaaS Software Subscription)	$ 23,063,150.00	$ 1,234,201.20	$ 24,297,351.20
12/13/18	Implementation Services - Amendment #1_P1.CR.1-01	$ 28,800.00		$ 24,326,151.20
04/04/19	Implementation Services - Amendment #2_SOA.CR-01	$ 45,000.00		
	Original Award Ordering Document True-Up		$ 411,400.40	
	1st Renewal Ordering Document		$ 1,708,320.99	$ 26,490,872.59
05/02/19	1st Renewal Ordering Document - Amendment #1_(Decrease-DIPC Services)		$ (97,620.32)	$ 26,393,252.27
05/23/19	1st Renewal Ordering Document - Amendment #2_(Increase-New DIPC Services)		$ 97,450.32	$ 26,490,702.59
10/24/19	1st Renewal Ordering Document - Amendment #3_(Increase-Additional Instances)		$ 8,728.13	$ 26,499,430.72
12/15/19	Implementation Services - Amendment #3_P1.CR.09 Phase 1 Go Live Extension and P3.CR.02 COA Synch between GL and EPM	$ 1,520,278.00		$ 28,019,708.72
05/19/20	2nd Renewal Ordering Document - Amendment #4		$ 1,752,362.00	$ 29,772,070.72
Pending	Implementation Services - Amendment #4 _(AST Support Services Phases 1, 1a and 3)	$ 90,000.00		$ 29,862,070.72
		$ 24,747,228.00	$ 5,114,842.72	$ 29,862,070.72

Tracy Geake Digitally signed by Tracy Geake Date: 2020.08.06 10:37:47 -04'00'

Not-to-exceed Amount:	FAMIS Index Code	1Cloud Account String	Totals
AST – Implementation Services	AFIT53A – ITEF01 – 02 – 069509	53106.113002.565091.000636.00000000.00000.0000000	$ 24,657,228.00
AST – Post Implementation Support Services	NA	53101.113001.531090.000000.00000000.00000.0000000	$ 90,000.00
AST – Software Subscription	AFIT53A – ITEF01 – 02 – 069509	53106.113002.565091.000636.00000000.00000.0000000	$ 1,234,201.20
AST – Software Subscription	AFIT531FERP – 03118	53101.113002.531180.000000.00000493.00000.0000000	$ 3,880,641.52
Total Maximum Indebtedness			$ 29,862,070.72

Attachments:
B-Implementation Services Deliverable Payment Schedule-Additional Services Rate Schedule
1Cloud ERP Project Implementation and SaaS Subscription Finance Tracking

CC:
Marlene Russell, Director of Organizational Effectiveness

10420

MASTER SERVICES CONTRACT
BETWEEN
CITY OF JACKSONVILLE
AND
APPLICATIONS SOFTWARE TECHNOLOGY LLC
FOR
ENTERPRISE RESOURCE PLANNING SAAS SYSTEM SOLUTION

THIS CONTRACT is made and entered into this 28 day of March, 2018 (the "Effective Date"), by and between the **CITY OF JACKSONVILLE** (the "CITY") or ("Buyer"), a municipal corporation existing under the Constitution and the laws of the State of Florida, and **APPLICATIONS SOFTWARE TECHNOLOGY LLC** (the "CONTRACTOR"), a Delaware corporation authorized to transact business in the State of Florida with its principal offices at 1755 Park Street, Suite 100, Naperville, Illinois 60563.

WHEREAS, the CITY issued a Request for Proposal No. ESC-0549-16 for an Enterprise Resource Planning Software (ERP) as a Services (SaaS) Solution (the "RFP"); and

WHEREAS, the Scope of Services under the RFP included the SaaS Services and the Implementation Services (as such terms are defined in Section 1.2 of the RFP);

WHEREAS, the RFP required that a single entity serve as the Lead Contractor (as defined in the RFP) with the responsibilities identified in the RFP;

WHEREAS, based on the response to the RFP submitted by Applications Software Technology Corporation, predecessor in interest to CONTRACTOR, and Oracle America, Inc. ("Oracle") dated December 14, 2016 (the "Response"), the CITY has negotiated and awarded this Contract to CONTRACTOR;

WHEREAS, this Contract shall serve as the Master Agreement and the Professional Services Agreement as described in Section 1.5 of the RFP; and

WHEREAS, simultaneously with the execution of this Agreement, CONTRACTOR and CITY are entering into an Oracle Ordering Document (the "Ordering Document") whereby CONTRACTOR will resell the SaaS Services to CITY as an authorized Oracle reseller.

NOW THEREFORE, in consideration of the premises and the mutual covenants contained below, the parties agree as follows:

1. <u>Performance of Services</u>. CONTRACTOR shall provide the Implementation Services, and shall serve as the Lead Contractor (the "Lead Contractor Services") (the Lead Contractor Services and the Implementation Services are collectively referred to in this Contract as the "Services"). Subject to the terms and conditions of this Contract, CONTRACTOR shall perform the Services as specified in the RFP and the Response and as described in the Scope of Work attached to this Contract as Exhibit A (the "SOW").

2. <u>Compensation</u>. CITY will pay CONTRACTOR for the Implementation Services as provided in Section 3.19 of the RFP based on satisfactory completion and Acceptance of Deliverables (as such terms are defined in the SOW and RFP) and in accordance with the SOW and the schedule of payments attached to this Contract as Exhibit B. Payments to CONTRACTOR shall be subject to

Exhibit B

Implementation Services Deliverable Payment Schedule

Additional Services Rate Schedule:

For the Calendar years of 2018 through 2020, the following blended rates can be used for any add-on approved ERP, SOA or IDM work.

$180/hour	Remote Consulting Services
$215/hour	On-Site Consulting Services

For calendar year 2021 and onwards, billing rates will increase 3% annually for the duration of the contract.

AST may offer a fixed fee option for additional work based on estimated hours

ESC-0569-16

1Cloud ERP

Project Implementation and SaaS Subscription Finance Tracking

CSPEC Award Date	Award	Master Services Contract with AST (Exhibit 1): Implementation Services	Ordering Document with AST (Exhibit 3): SaaS Software Subscription	Total Not-To Exceed
03/15/18	Initial Award - Master Services Contract with AST (Implementation Services), Cloud Services Agreement with Oracle, Ordering Document (SaaS Software Subscription)	$ 23,063,150.00	$ 1,234,201.20	$ 24,297,351.20
12/13/18	Implementation Services - Amendment #1_P1.CR.1-01	$ 28,800.00		$ 24,326,151.20
04/04/19	Implementation Services - Amendment #2_SOA.CR-01	$ 45,000.00		
	Original Award Ordering Document True-Up		$ 411,400.40	
	1st Renewal Ordering Document		$ 1,708,320.99	$ 26,490,872.59
05/02/19	1st Renewal Ordering Document - Amendment #1_(Decrease-DIPC Services)		$ (97,620.32)	$ 26,393,252.27
05/23/19	1st Renewal Ordering Document - Amendment #2_(Increase-New DIPC Services)		$ 97,450.32	$ 26,490,702.59
10/24/19	1st Renewal Ordering Document - Amendment #3_(Increase-Additional Instances)		$ 8,728.13	$ 26,499,430.72
12/15/19	Implementation Services - Amendment #3_P1.CR.09 Phase 1 Go Live Extension and P3.CR.02 COA Synch between GL and EPM	$ 1,520,278.00		$ 28,019,708.72
05/19/20	2nd Renewal Ordering Document - Amendment #4		$ 1,752,362.00	$ 29,772,070.72
Pending	Implementation Services - Amendment #4 _(AST Support Services-Phases 1, 1a and 3)	$ 90,000.00		$ 29,862,070.72
		$ 24,747,228.00	**$ 5,114,842.72**	**$ 29,862,070.72**

SUBJECT: ENTERPRISE RESOURCE PLANNING (ERP) SOFTWARE AS A SERVICE SOLUTION

BID #: ESC-0549-16 **OPEN DATE: 12/14/2016**

COMPETITIVE SEALED PROPOSAL EVALUATION COMMITTEE

KIND AND BASIS OF CONTRACT: Service Contract

AGENCY: Information Technologies Division

BASIS OF AWARD: Highest Scoring Bidder Based On Evaluation Criteria

NUMBER OF BIDS INVITED: (23) NUMBER RECEIVED: (8) OTHER: (1)

SUMMARY OF BIDS AND RECOMMENDED ACTIONS:
Recommend approval to ratify the period of service from March 28, 2020 to date of award.

Recommend approval to utilize the second of seven (7) one (1) year renewal options with Applications Software Technology, LLC (AST) in the amount of $1,752,362.00 for Oracle SaaS Software Ordering Document. Period of service will be from date of award through March 27, 2021.The revised total contract expenditure not-to-exceed $29,772,070.72.

Funding to be encumbered by various account 53106-113002-565091-000636-00000000-00000 and 53101-113002-531180-000000-00000493-00000, to be executed by formal contract amendment (Contract #10420) through the Office of General Counsel.

ATTACHMENTS: Recommendation Memo, Vendor Ordering Document, Previous Awards

ANALYST: _____ **RESPECTFULLY SUBMITTED** _____
for RUBEN OLA for GREGORY PEASE, CHIEF PROCUREMENT DIVISION

CONCURRENCE BY: Kenneth Lathrop, Chief of Information Technologies/CIO

(ALL AWARD ACTIONS SUBJECT TO LAWFULLY APPROPRIATED FUNDS)
ACTION OF CSPEC COMMITTEE ON RECOMMENDATIONS ABOVE

MEMBERS APPROVING 5 MEMBERS DISAPPROVING 0 DATE: 5/14/20

Teresa R. Eibar _____ OTHER: _____
James R. McCain _____
_____
Kenneth E. Lathrop _____
_____

ACTION OF AWARDING AUTHORITY DATE 5/19/20

APPROVED ✓ BH DISAPPROVED _____

OTHER _____

SIGNATURE OF AUTHENTICATION _____