

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

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**MEETING DATE:** 10/13/2021

**Staff Report No. 21-420**

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**TO:** AC Transit Board of Directors  
**FROM:** Michael A. Hursh, General Manager  
**SUBJECT:** Sole Source Contract with Oracle for PeopleSoft Software Support

### ACTION ITEM

#### **RECOMMENDED ACTION(S):**

Consider approving a sole source contract with Oracle America, Inc. to provide technical support and software updates for PeopleSoft during the 2022-2031 contract period.

#### **STRATEGIC IMPORTANCE:**

Goal - Financial Stability and Resiliency

Initiative - Financial Efficiency and Revenue Maximization

This contract for technical support and software update of the PeopleSoft application will allow the District to access Oracle support for technical and functional needs and to receive the latest security patches and upgrades. The PeopleSoft platform connects with many mission-critical software systems in the District and provides vital data elements. This is one of the core technology platforms and needs to be up and running 100% of the time for operations.

#### **BUDGETARY/FISCAL IMPACT:**

Staff is requesting Board approval of a sole source PeopleSoft Program Technical Support Services Agreement (PTSSA) with Oracle America, Inc. for approximately \$450,000 per year for the contract period of March 25, 2022 through March 24, 2031. Annual fees increase at a rate determined by Oracle, typically a few percent per year, and are included in each year's operating budget. Sufficient funds were included in the current fiscal year budget to cover this expense.

#### **BACKGROUND/RATIONALE:**

In 2007, the District procured a license agreement with Oracle for the PeopleSoft Financials Software to augment its previously installed PeopleSoft Human Capital Management (HCM) Software. At the same time, it procured a Program Technical Support Services Agreement (PTSSA) for both of those components as is typical with software licensing agreements.

The master licensing and support agreement noted that the PTSSA portion was subject to periodic updates. The previous PTSSA was received and approved in March 2017.

**ADVANTAGES/DISADVANTAGES:**

A single source contract with Oracle for technical support and software upgrades ensures that the District remains compliant with its PeopleSoft License agreement, is eligible for technical support when problems arise, and is eligible to download patches and new versions of the software, including critical tax updates that are required for compliance with state and federal laws.

A current and active support agreement is also required by the District's hosting agreement with Sierra-Cedar, Inc, the PeopleSoft hosting provider, to ensure that they can fully and legally support the hosted environment in their data center.

**ALTERNATIVES ANALYSIS:**

No alternatives to this single source support contract are plausible due to the proprietary nature of Oracle's products. Technical support and software update services are offered only by the owner and author for PeopleSoft, Oracle America, Inc. The Current PeopleSoft Master Hosting Agreement requires the District to procure PeopleSoft technical support services from Oracle.

Several third-party firms offer support for PeopleSoft but cannot provide Oracle's official software updates as those are only available via Oracle's (direct) support contracts. Third-party services are somewhat clouded by claims from Oracle for copyright infringement. Shifting to a third-party firm may cost less initially but would render the District ineligible for future Oracle software updates, and should the District decide to later return to an 'official' PeopleSoft upgrade path, it would require the District to re-purchase the software licenses directly from Oracle at significant expense.

**PRIOR RELEVANT BOARD ACTION/POLICIES:**

Staff Report 07-204: Approve Contracts with CherryRoad Technologies and Oracle Corporation for the implementation of the Finance/Human Resources System.

Staff Report 07-204a: Contract with Oracle America, Inc. for Technical Support of PeopleSoft Software

**ATTACHMENTS:**

None.

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