City Council – Action Request Form

Date:	November 7, 2022
To:	Mayor, Mayor Pro Tempore, and Members of the City Council
From:	Johnnie Taylor, Assistant City Manager Thomas Kureczka, Chief Information Officer

Council Action Requested:
Resolution Approving the Purchase of Oracle Core Licenses and Software Support

Strategic Focus Area: Service Excellence
Strategic Objective: Ensure Service Delivery Efficiency and Effectiveness
Strategic Plan Action Item: No
Key Work Item: No

Summary of Information:
The City of Winston-Salem uses Oracle database services as the primary data storage platform for multiple enterprise and departmental business systems. The City's first use of the Oracle product was in 1996, when staff implemented the existing Human Resources Information System in support of the daily operations performed by Human Resources and Payroll staff. Since then the City has implemented several additional business systems that utilize Oracle databases. The Oracle platform is a critical underlying cornerstone of many of the daily operations performed by City staff.

Committee Action:

Committee	Finance 11/7/2022	**Action**	Approval
For	Unanimous	**Against**	
Remarks:			

The City's enterprise and departmental applications that rely on Oracle databases for data storage needs include:

- Cayenta Billing Manager, used to support operations performed by the Utilities staff.
- Enterprise Cityworks Asset Management and Work Order System.
- Human Resources Information System.
- Enterprise Geographical Information System (GIS).
- Enterprise Workflow applications.
- Enterprise Kronos Time & Attendance system and associated time clocks.
- Maximo Asset Management and Work Order System used in the Utilities facilities.
- Parking Ticket system used in the field and back-office.

For many years the City has run Oracle databases in a virtualized environment to maximize performance and availability, and to minimize the quantity and cost of licenses. In March of 2022, the Information Systems Department was informed by Oracle of a change to their licensing requirements, which now require an isolated Oracle environment. The isolated environment conflicts with the virtualized approach that staff has been using (and is used by Oracle customers world-wide). To abide with Oracle's new requirements of an isolated environment would require the City to purchase additional licenses that would have a one-time cost in the range of $600,000 and $1,000,000. These additional licenses would also have a recurring annual license and software support (software updates and security patches) renewal cost of approximately 20% of the one-time cost.

Information Systems staff worked with Oracle and Mythics, the City's assigned Oracle authorized reseller, to find a more cost-effective solution. This work included looking at various architectures that allow the City to maintain some benefits of a virtual environment while still satisfying the intent of Oracle's isolated environment. An agreement has been approved by Oracle that allows the City to continue using a virtualized environment that will be physically isolated from the rest of the City's computing environment. However, this change still requires the City to purchase eight (8) additional Oracle core licenses to maintain proper levels of performance and availability.

There are no local or M/WBE vendors who are authorized as an Oracle reseller. Oracle uses a channel partner model for the sale and support of their licensed products and has assigned Mythics, the North Carolina-based value-added reseller, to service our account. Mythics is also the holder of the State contract for Oracle core licenses. Staff has received permission and approval from the State to use this contract for the purchase of additional licenses. The one-time cost of the additional eight licenses is $232,066, and the recurring annual software support cost is $51,054.52.

Approval is requested to purchase eight (8) additional Oracle core licenses for $232,066 and the first year of software support for $51,054.52, for a total purchase price of $283,120.52. Funding for this purchase is available in the FY22-23 Information Systems operating budget.

Exhibit A includes workforce demographics for Mythics.