



COUNTY OF LOS ANGELES

CHIEF INFORMATION OFFICE

Los Angeles World Trade Center
350 South Figueroa Street, Suite 188
Los Angeles, CA 90017

RICHARD SANCHEZ
CHIEF INFORMATION OFFICER

Telephone: (213) 253-5600
Facsimile: (213) 633-4733

February 14, 2012

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

14 February 14, 2012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

RECOMMENDATION TO APPROVE AMENDMENT NUMBER THREE TO COUNTY'S MASTER SERVICES AGREEMENT WITH ORACLE AMERICA INC.

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ()
DISAPPROVE ()**

SUBJECT

Request approval of Amendment Three to County Master Services Agreement Number 76043 with Oracle America, Inc., to exercise second option to extend the term for two years through February 20, 2014.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Chair of the Board to sign the attached Amendment Number Three to Master Services Agreement (MSA) 76043 with Oracle America, Inc. (Oracle), extending the term of the MSA from February 20, 2012 to February 20, 2014.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

This recommended action will extend the term of County's Oracle MSA and enable County departments continued access to Oracle professional and consulting services provided under the Agreement.

The Oracle MSA provides a structure that streamlines the acquisition process for highly-skilled Oracle technical services. These technical resources assist with the planning and implementation of Oracle technologies, enable timely problem resolution, and ensure that Oracle product capabilities are maximized.

The total annual maximum Contract sum authorized under the MSA is \$3 million. County department engagements under the Oracle MSA are executed through a Work Order (WO) process. Your Board authorizes all departmental WO's exceeding \$300,000. Since February 20, 2007, when the Oracle MSA was established, 20 WO's were issued with a total value of \$6,589,668.

Implementation of Strategic Plan Goals

The recommended action supports the County's Strategic Plan Goal Number 3: Organizational Effectiveness. The Oracle MSA offers the flexibility necessary to meet varied departmental needs while providing a structure for acquiring desired services through a streamlined acquisition process that is standard across the entire enterprise.

FISCAL IMPACT/FINANCING

By approving this Amendment, County departments will continue acquiring services under WO's, which govern the terms and conditions set forth in the Oracle MSA. Funding for individual WO's will continue to be obtained from departmental budgets. The Administrative provisions of the Oracle MSA require confirmation that funding is available before each individual WO is executed.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On February 20, 2007, your Board approved Master Agreement Number 76043 with Oracle USA, Inc., for an initial three year term and two (2) two-year extensions upon mutual agreement of the parties. The total amount authorized for expenditure under the Oracle MSA is not to exceed \$3,000,000 per year.

On February 9, 2010, your Board approved Amendment Number One to exercise the first option to extend the term for two years through February 20, 2012.

On September 21, 2010, your Board approved Amendment Number Two to recognize America, Inc., as the successor-in-interest to Oracle, USA, Inc., and to increase the annual maximum contract sum from \$3,000,000 to \$4,000,000 for calendar year 2010 to accommodate departmental demand for Oracle professional and consulting services.

Amendment Number Three has been approved as to form by County Counsel. All existing terms and conditions of the Oracle MSA, including information technology provisions, will continue to apply following execution of the Amendment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of Amendment Number Three will provide County departments with continued access to Oracle professional and technical resources. There will be no impact upon, or interruption of, the current services being provided to County departments by Oracle.

CONCLUSION

Upon approval by your Board, it is requested that the Executive Officer-Clerk of the Board return one (1) adopted stamped copy of the Board letter and three (3) executed copies of Amendment Number 3 to the Chief Information Office for further processing.

Respectfully submitted,

A handwritten signature in black ink that reads "Richard Sanchez". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

RICHARD SANCHEZ
Chief Information Officer

RS:pg

Enclosures

c: Chief Executive Officer
Executive Officer, Board of Supervisors
County Counsel

AMENDMENT NUMBER THREE

TO

MASTER SERVICES AGREEMENT

BY AND BETWEEN

THE COUNTY OF LOS ANGELES

AND

ORACLE AMERICA, INC.

FOR

INFORMATION TECHNOLOGY SERVICES

76043 Supplement No. 3



AMENDMENT NUMBER THREE TO
MASTER SERVICES AGREEMENT BY AND BETWEEN
THE COUNTY OF LOS ANGELES AND
ORACLE AMERICA, INC. FOR
INFORMATION TECHNOLOGY SERVICES

This Amendment Number Three to Master Services Agreement ("Amendment No. 3") is entered into as of February 1, 2012 by and between the County of Los Angeles, a political subdivision of the State of California ("County") and Oracle America, Inc., a Delaware corporation ("Contractor"), with reference to the following facts.

Recitals

- A. County and Contractor entered into that certain Master Services Agreement for Information Technology Services (the "Agreement") which was approved by County's Board of Supervisors on February 20, 2007.
- B. The parties now wish to amend the Agreement in order to provide for an extension of the term of the Agreement.
- C. Effective February 15, 2010, Oracle USA, Inc., was merged into Sun Microsystems, Inc., with Oracle America, Inc., a Delaware corporations, remaining as the resulting corporate entity and current party to the Agreement (such merger, the "Merger");
- D. The parties now wish to amend the Agreement to extend the Agreement term from February 20, 2012 to February 19, 2014 upon the terms and conditions set forth herein.

NOW, THEREFORE, pursuant to Paragraph 10 (Change Notices and Amendments) of the Agreement, County and Contractor hereby agree to amend the Agreement as follows:

- 1. County and Contractor hereby mutually agree to extend the Term of the Agreement by the exercise of the second two-year Extended Term as provided under Paragraph 11.1 of the Agreement.
- 2. Paragraph 61 (Notices) of the Agreement shall be revised to (i) change the identity of Contractor's contact from Greg Farrar to Steve Brooks.
- 3. Exhibit A (Information Technology Services Charges) of the Agreement is hereby deleted in its entirety and shall be replaced with a new Exhibit A (Information Technology Services Charges), a true and correct copy which is attached to this Amendment No. 3 and incorporated herein by this reference.



4. In all other respects, the Agreement, as amended under this Amendment No. 3, shall remain in full force and effect.

SIGNATURES ON FOLLOWING PAGE

A handwritten mark or signature, possibly a stylized letter 'G' or a similar symbol, located in the bottom right corner of the page.

AMENDMENT NUMBER THREE TO
MASTER SERVICES AGREEMENT FOR
INFORMATION TECHNOLOGY SERVICES

IN WITNESS WHEREOF, the Los Angeles County Board of Supervisors has caused this Amendment Number Three to be subscribed by its Chair and the seal of such Board to be hereto affixed and attested by the Executive Officer-Clerk thereof, and Contractor has caused this Amendment Number Three to be subscribed in its behalf by its authorized officer, effective as of the date approved by such Board.



COUNTY OF LOS ANGELES

By Zev Yaroslavy
ZEV YAROSLAVSKY
Chairman, Board of Supervisors

I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

ATTEST:
SACHI HAMAI
Executive Officer-Clerk
Los Angeles County
Board of Supervisors

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By Lachelle Smithman
Deputy
FEB 14 2012

By Lachelle Smithman
Deputy
FEB 14 2012

ORACLE AMERICA, INC.
Contractor

Signed: [Signature]
Printed: ROBERT C FAGNULO
Title: ER CONTRACTS MANAGER

APPROVED AS TO FORM:
JOHN KRATTLI
Acting County Counsel

By [Signature]
José Silva
Principal Deputy County Counsel

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

14 FEB 14 2012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

76043

Supplement No. 3

EXHIBIT A

INFORMATION TECHNOLOGY SERVICES AND CHARGES

Services

Consulting Services (Services) performed under the Agreement are to serve the sole purpose of assisting the County with projects that will include the application and/or implementation of Oracle software products as determined by the County's Project Manager.

These services may include but are not limited to:

- Enterprise Architecture – Services assisting the County with creating and maintaining an IT infrastructure to support its lines of business, including performance architecture and database design, administration, and tuning.
- Data Security / Protected Enterprise – Services assisting the County with efforts to share information confidently, while protecting the integrity of the data, and meeting regulatory compliance requirements.
- Middleware Architecture – Services assisting the County with Oracle's software for the mid-tier—Oracle Fusion Middleware/Oracle Application Server (including the various components and options).
- Business Integration – Services assisting the County with efforts to build its mid-tier on a Service-Oriented Architecture (SOA).
- Software Engineering – Services assisting the County to create and deploy software solutions.
- Data Warehousing - Services assisting the County with efforts to turn enterprise data into quality information with Oracle data warehouse products.

Pricing

This Agreement contemplates both Fixed Price Deliverables-based (FP) work orders and Time and Materials (T&M) work orders.

Fixed Price Deliverables-based engagements will be priced based on the estimated cost of producing the deliverables and the relative risk associated with the individual work order. As such, no rates or discount level is provided for FP projects in the Agreement.

Should the County elect to acquire services on a Time and Materials (T&M) basis, rates will be provided at the time of the work order request. Oracle and the County will work together to estimate and price the requested T&M work.



Travel and living expenses of Oracle consultants for services provided under this Agreement shall be deemed Out-of-Pocket Expenses and shall be invoiced separately.

A handwritten signature in black ink, consisting of a stylized, cursive letter 'S' or similar character.