

March 7, 2016 TCBAC Action by E-Mail between Meetings

Should the Trial Court Budget Advisory Committee recommend that the Judicial Council:

1. Approve a one-time \$2.232 million augmentation of the allocation from the State Trial Court Improvement and Modernization Fund for the Enterprise Policy and Planning program to \$5,064,775 from \$2,832,140.

Attachment A provides a draft report to the Judicial Council that provides background and the rationales for the proposal and that assumes the recommendation is approved by the TCBAC.



JUDICIAL COUNCIL OF CALIFORNIA

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CIRCULATING ORDER MEMORANDUM TO THE JUDICIAL COUNCIL

Circulating Order Number: CO-16-04

<p>Title Trial Court Allocations: Augmentation for a Program Funded from the State Trial Court Improvement and Modernization Fund</p> <p>Rules, Forms, Standards, or Statutes Affected None</p> <p>Recommended by Trial Court Budget Advisory Committee</p> <p>Zlatko Theodorovic Director and Chief Financial Officer Judicial Council Finance</p>	<p>Action Requested VOTING MEMBERS ONLY: Vote and return by fax. Additionally, return original signature page.</p> <p>Please Respond By March 8, 2016</p> <p>Date of Report March 7, 2016</p> <p>Contact Steven Chang, 415-865-7195 steven.chang@jud.ca.gov</p>
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Executive Summary

The Trial Court Budget Advisory Committee and Judicial Council staff recommend that Judicial Council approve a one-time allocation augmentation of \$2.232 million from the State Trial Court Improvement and Modernization Fund (IMF) for the Enterprise Policy and Planning program in fiscal year 2015–2016.

Recommendation

The TCBAC and Judicial Council staff recommend that the Judicial Council:

1. Approve a one-time \$2.232 million augmentation of the allocation from the State Trial Court Improvement and Modernization Fund for the Enterprise Policy and Planning program, to \$5,064,775 from \$2,832,140.

Previous Council Action

At its August 21, 2015 business meeting the council adjusted the Enterprise Policy and Planning program's 2015–2016 IMF allocation from \$5,220,500 to \$2,832,140 so as to realign the allocation such that it would support only the costs that would be incurred during the 2015–2016 fiscal year and not any beyond.

Rationale for Recommendation

The Judicial Council has received a time-sensitive offer from Oracle to reduce annual maintenance costs by over \$1 million starting in 2016–2017 such that the estimated net savings for the period 2015–2016 through 2019–2020 is \$1.234 million (see Attachment 1) through the following:

- Reducing current Judicial Branch licenses from 25,000 to 17,000 authorized users
- Canceling products not in use
- Procuring new products for \$1,950,000. The actual accepted bid could be lower.
- This procurement will result in a reduction to the estimated annual Oracle maintenance cost
- This procurement will be processed using a competitively bid leveraged purchase agreement through DGS that currently has a 0% uplift on annual maintenance

The net savings could be higher by \$250,000 if the offer is implemented in a timely manner, such that savings could be applied to the current fiscal year.

The current Oracle Branch wide License Agreement (BWLA) provides the entire Judicial Branch with use of the covered Oracle software licenses. This frees local courts from having to procure, track and manage complex software assets and costly annual maintenance renewals. Courts may access and install these Oracle products at no charge in any environment, whenever needed.

Comments, Alternatives Considered, and Policy Implications

This item was not circulated for public comment. No comments were received in response to the public notice given for the TCBAC's action by email between meetings. The Judicial Council staff did not consider any alternatives to this recommendation.

Implementation Requirements, Costs, and Operational Impacts

If implemented in a timely manner, an estimated \$250,000 in current fiscal year savings in the IMF are possible.

Attachments

1. Financial Summary of Oracle Annual Maintenance & Support Contract Refresh Proposal

Attachment 1 -- Financial Summary of Oracle Annual Maintenance & Support Contract Refresh Proposal

Oracle Maintenance & Support	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
FY 15/16 Allocation	2,486,965					
Current Annual Support	4,814,443	4,958,877	5,107,643	5,260,872	5,418,698	25,560,533
FY15/16 Invoices	2,407,222	2,407,222				
Required FY 16/17 Budget		7,366,098				

Oracle Contract Refresh Proposal	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
New Product Purchase	1,950,000	-	-	-	-	1,950,000
New Product Support	418,100	418,044	418,044	418,044	418,044	2,090,276
New Reduced Support*	2,043,900	5,339,666	3,347,603	3,347,603	3,347,603	17,426,375
Payment to DGS	57,600	76,002	49,707	49,707	49,707	282,723
Savings from Reduced Support Lost Due to Delay in Implementation	250,000					250,000
Total Program Cost	4,719,600	5,833,712	3,815,354	3,815,354	3,815,354	21,999,374
Difference Current to New Costs	2,232,635	874,835	-1,292,289	-1,445,518	-1,603,344	-1,233,681

*Assumes implementation is completed in time to lock in estimated current fiscal savings of \$250,000.