



**BOARD BUDGET AND FINANCE COMMITTEE MEETING
WEDNESDAY, FEBRUARY 1, 2012, 2:00 P.M.
RIVERSIDE TRANSIT AGENCY BOARD ROOM
1825 THIRD STREET
RIVERSIDE, CA 92507**

1. **CALL TO ORDER**
2. **SELF-INTRODUCTIONS**
3. **PUBLIC COMMENTS– NON-AGENDA ITEMS** **RECEIVE COMMENTS**
Members of the public may address the Board regarding any item within the subject matter jurisdiction of the Board; however, no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to matters not listed on the agenda. Members of the public may comment on any matter listed on the agenda at the time that the Board considers that matter. Each person’s presentation is limited to a maximum of three (3) minutes
4. **[APPROVAL OF MINUTES – DECEMBER 7, 2011 COMMITTEE MEETING \(P.3\)](#)** **APPROVE**
5. **[CASH FLOW PROJECTIONS \(P.6\)](#)** **RECEIVE AND FILE**
6. **[AGENCY INVESTMENT POLICY – ANNUAL UPDATE \(P.8\)](#)** **APPROVE**
7. **[QUARTERLY INVESTMENT REPORT \(P.14\)](#)** **RECEIVE AND FILE**
8. **[AUTHORIZATION TO ISSUE A SOLE SOURCE PURCHASE ORDER TO ORACLE USA, INC., \(ORACLE\) FOR ANNUAL SOFTWARE LICENSING AND SUPPORT SERVICES \(P.16\)](#)** **APPROVE**
9. **BOARD MEMBER COMMENTS AND REMARKS**

Any person with a disability who requires a modification or accommodation in order to participate in this meeting or any person with limited English proficiency (LEP) who requires language assistance to communicate with the RTA Board during the meeting should contact the RTA Clerk of the Board, telephone number (951) 565-5044, no fewer than two business days prior to this meeting to enable RTA to make reasonable arrangements to assure accessibility or language assistance for this meeting.

Agenda related writings or documents provided to the Board of Directors are available for public inspection in the office of the Clerk of the Board and at the reception desk while the meeting is in session.

10. OTHER BUSINESS

11. NEXT MEETING

Board Budget and Finance Committee Meeting

Wednesday, March 7, 2012

2:00 p.m.

RTA Headquarters

1825 Third Street

Riverside, CA 92507

12. ADJOURN

RTA BOARD BUDGET AND FINANCE COMMITTEE MEETING
December 7, 2011

1. CALL TO ORDER:

Director Jeff Comerchero called the Board Budget and Finance Committee meeting to order at 2:00 p.m., on December 7, 2011, in the RTA Board Room.

2. SELF-INTRODUCTIONS:

Self-introductions of those in attendance took place.

Board Committee Members Present:

1. Acting Committee Chairman Jeff Comerchero, City of Temecula Councilmember
2. Chairman of the Board, Bob Buster, County of Riverside, District I
3. Director Barry Talbot, City of Canyon Lake, Mayor
4. Director Wallace Edgerton, City of Menifee, Mayor
5. Director Joanne Evans, City of Perris, Councilmember
6. Director Andy Melendrez, City of Riverside, Councilmember
7. Director Andrew Kotyuk, City of San Jacinto, Mayor
8. Alternate Andrea Puga, County of Riverside, District II
9. Alternate Ron Roberts, County of Riverside, District III
10. Alternate Jaime Hurtado, County of Riverside, District V

RTA Staff:

1. Larry Rubio, Chief Executive Officer
2. Tom Franklin, Chief Operating Officer
3. Craig Fajnor, Chief Financial Officer
4. Vince Rouzard, Chief Procurement and Logistics Officer
5. Jim Kneepkens, Director of Marketing
6. Brad Weaver, Marketing Manager
7. Lorelle Moe Luna, Senior Planner
8. Laura Murillo, Director of Human Resources
9. Natalie Gomez, Clerk of the Board
10. Virginia Werly, Contract Operations Manager
11. Gordon Robinson, Director of Planning
12. Natalie Zaragoza, Contracts Manager
13. Eric Ustation, Government Affairs Representative

Other Attendees:

None

3. PUBLIC COMMENTS - NON-AGENDA ITEMS:

None.

4. APPROVAL OF MINUTES NOVEMBER 2, 2011, COMMITTEE MEETING:

M/S/C (TALBOT/PUGA) approving the November 2, 2011, Committee meeting minutes.

The motion carried unanimously.

5. QUARTERLY CAPITAL STATUS:

Mr. Fajnor presented the Quarterly Capital Status report.

6. CASH FLOW PROJECTIONS:

Mr. Fajnor presented the Cash Flow projections.

7. AUTHORIZATION TO AWARD AGREEMENT NO. 11-050 TO AMERICAN MOVING PARTS (AMP) FOR BRAKE KITS:

M/S/C (EDGERTON/ROBERTS) approving and recommending this item to the full Board of Directors for their consideration as follows:

- Authorize staff to award Agreement No. 11-050 to American Moving Parts for brake kits in the amount of \$205,706.75.

The motion carried unanimously.

8. ADOPT FY12 UPDATE TO TRANSPORTATION UNIFORM MITIGATION FEE (TUMF) TRANSPORTATION IMPROVEMENT PROGRAM (TIP) AND PROGRAM OF PROJECTS (POP) FOR FY12 THROUGH FY16:

M/S/C (TALBOT/KOTYUK) approving and recommending this item to the full Board of Directors for their consideration as follows:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Adopt FY12 update to Western Riverside Council of Government's Transportation Uniform Mitigation Fee (TUMF) Transportation Improvement Program (TIP) and Program of Projects (POP) for FY12 through FY16.

The motion carried unanimously.

9. BOARD MEMBER COMMENTS AND REMARKS:

Director Talbot thanked RTA for providing a bus for their Veteran's Day memorial. It was a huge success. The bus was parked next to a tent and received a lot of traffic.

Director Kotyuk appreciated RTA's participation in their Christmas parade and for the donation of the Trolley to the Ramona Pageant.

Acting Committee Chairman Comerchero thanked RTA for participating in their Christmas Parade. On December 16, the "Spark of Love" Toy Drive will be held at the Temecula Children's Museum and RTA will be participating with a decorated bus.

Director Evans announced the 23rd annual Christmas parade would be held on December 10th, in Perris. She thanked RTA for participating in the parade.

10. OTHER BUSINESS:

Mr. Rubio reminded the Board that the next Board meeting is on December 15.

11. NEXT MEETING:

Board Budget and Finance Committee Meeting
Wednesday, January 4, 2012
2:00 p.m.
RTA Headquarters
1825 Third Street
Riverside, CA 92507

12. ADJOURN:

The meeting adjourned at 2:29 p.m.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

February 1, 2012

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Craig Fajnor, Chief Financial Officer

SUBJECT: Cash Flow Projections

Summary: The Agency develops cash flow projections for the entire fiscal year representing weekly increments. Due to the size of the report, it is difficult to portray the entire fiscal year.

The attached report represents actual cash performance through late January 2012 with projections through March 2012. There are no cash flow issues anticipated during this reporting period.

Recommendation:

Receive and file.

**Riverside Transit Agency
FY 2012 Cash Flow Projection**

| | Actual | Actual | | | | | | | | | | |
|--|-----------|-----------|-------------|-------------|-----------|-----------|-------------|-------------|-----------|-----------|-----------|-----------|
| 1 General Account | 1/13/2012 | 1/20/2012 | 1/27/2012 | 2/3/2012 | 2/10/2012 | 2/17/2012 | 2/24/2012 | 3/2/2012 | 3/9/2012 | 3/16/2012 | 3/23/2012 | 3/30/2012 |
| 2 Est. Cash, Beg Balance (Book) | 906 | (114,260) | (131,337) | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| 3 Receipts: | | | | | | | | | | | | |
| 4 LTF Operating - recurring | | | 2,889,143 | | | | 1,889,143 | | | | | |
| 5 LTF GASB 43/45 | | | 71,667 | | | | 71,667 | | | | | |
| 6 FET Credit (Capital) | | | | | | 74,593 | | | | | | |
| 7 CalPERS CERBT Receipt | | | | | | | | | | | | |
| 8 Farebox | 117,259 | 174,176 | 130,000 | 130,000 | 130,000 | 130,000 | 130,000 | 130,000 | 130,000 | 130,000 | 130,000 | 130,000 |
| 9 Total Other Farebox | 48,666 | 15,591 | 16,579 | 31,351 | 221,687 | | 1,636 | | 232,847 | 33,191 | 89,958 | 74,794 |
| 10 Total Other Local | 753 | 6,938 | 1,000 | 25,000 | 1,000 | 1,000 | 1,000 | 25,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| 11 FTA Operating | 73,432 | | | | 65,000 | | | | | 65,000 | | |
| 12 Capital - Local, State | 25,000 | 500 | 2,210 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| 13 Echo - FTA Capital | | 49,517 | 35,000 | 50,000 | 50,000 | 50,000 | 160,000 | 50,000 | 124,000 | 50,000 | 130,000 | 50,000 |
| 14 Transfer from Investment to Gen Acct. | 750,000 | 201,686 | | 1,749,999 | 378,063 | 274,557 | | 1,890,150 | 357,903 | 200,959 | 614,792 | 259,356 |
| 15 Disbursements: | | | | | | | | | | | | |
| 16 Payroll = Net+Tax | (579,021) | | (660,000) | | (590,000) | | (590,000) | | (590,000) | | (590,000) | |
| 17 A/P Wires | (176,272) | (144,744) | (290,750) | (1,751,350) | (20,750) | (145,150) | (290,750) | (1,740,150) | (20,750) | (145,150) | (140,750) | (280,150) |
| 18 A/P Checks | (164,659) | (153,233) | (150,000) | (150,000) | (150,000) | (150,000) | (150,000) | (150,000) | (150,000) | (150,000) | (150,000) | (150,000) |
| 19 Capital Expenditures | (10,324) | (67,509) | (110,000) | (110,000) | (110,000) | (260,000) | (110,000) | (230,000) | (110,000) | (210,000) | (110,000) | (110,000) |
| 20 Transfer to Investment from Gen Acct. | (200,000) | (100,000) | (1,753,511) | | | | (1,137,696) | | | | | |
| 20 Transfer to GASB Trust Acct. | | | | | | | | | | | | |
| 21 Actual Ending Book Balance / Targeted Minimum Balance | (114,260) | (131,337) | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |

22 LAIF Account:

| | | | | | | | | | | | | |
|----------------------------------|-----------|-----------|-----------|-------------|-----------|-----------|-------------|-------------|-----------|-----------|-----------|-----------|
| 23 Beginning balance | 1,750,000 | 1,201,686 | 1,100,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| 24 Quarterly Interest Income | 1,686 | | | | | | | | | | | |
| 25 Transfers to/from Gen Acct. | (550,000) | (101,686) | 1,753,511 | (1,749,999) | (378,063) | (274,557) | 1,137,696 | (1,890,150) | (357,903) | (200,959) | (614,792) | (259,356) |
| 26 Transfers to/from County Pool | - | - | 146,489 | 1,749,999 | 378,063 | 274,557 | (1,137,696) | 1,890,150 | 357,903 | 200,959 | 614,792 | 259,356 |
| 27 Ending balance | 1,201,686 | 1,100,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |

28 County Pool Account:

| | | | | | | | | | | | | |
|--------------------------------|------------|------------|------------|-------------|------------|------------|------------|-------------|------------|------------|------------|------------|
| 29 Beginning balance | 27,838,295 | 27,838,295 | 27,838,295 | 27,691,806 | 25,941,807 | 25,563,744 | 25,289,187 | 26,426,883 | 24,552,345 | 24,194,442 | 23,993,483 | 23,378,691 |
| 30 Quarterly Interest Income | | | | | | | | 15,613 | | | | |
| 31 Transfers to/from Gen Acct. | - | - | - | - | - | - | - | - | - | - | - | - |
| 32 Transfers to/from LAIF | - | - | (146,489) | (1,749,999) | (378,063) | (274,557) | 1,137,696 | (1,890,150) | (357,903) | (200,959) | (614,792) | (259,356) |
| 33 Ending balance | 27,838,295 | 27,838,295 | 27,691,806 | 25,941,807 | 25,563,744 | 25,289,187 | 26,426,883 | 24,552,345 | 24,194,442 | 23,993,483 | 23,378,691 | 23,119,336 |

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

February 1, 2012

TO: BOARD BUDGET AND FINANCE COMMITTEE
THRU: Larry Rubio, Chief Executive Officer
FROM: Craig Fajnor, Chief Financial Officer
SUBJECT: Agency Investment Policy – Annual Update

Summary: The Agency's Board of Directors must adopt an Investment Policy on an annual basis. Doing so ensures that the investment policy remains consistent with overall Agency goals and objectives. All policy changes must be approved by the Board of Directors prior to implementation.

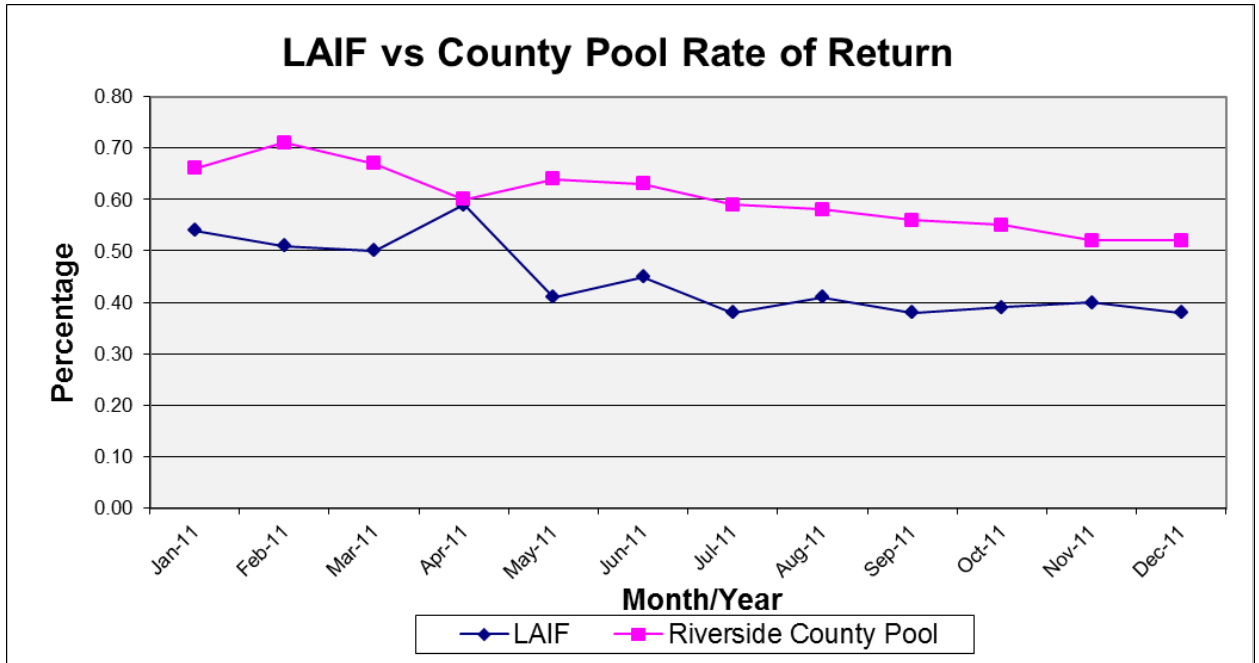
The current policy includes the following objectives – in order of priority:

1. Preservation of principal
2. Maintain liquidity
3. Rate of Return consistent with the first two objectives

There are no changes recommended to the current policy for the coming year with regards to the objectives above. Further, there are no changes recommended in investment vehicles.

With that in mind, the chart below depicts a comparison of the monthly rates of return achieved with the Agency's investments in the Local Agency Investment Fund (LAIF) and the Riverside County Treasurer's Pooled Investment Fund (County Pool). For reference, the Agency joined the County Pool in February 2011.

Attached to this staff report is the current Board-approved Agency Investment Policy.



Fiscal Impact:

None at this time.

Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

Adopt the Agency Investment Policy for 2012.



INVESTMENT POLICY

SCOPE

This investment policy applies to the Operating and Capital cash funds of Riverside Transit Agency, except for its employees' retirement system fund and its retiree medical fund, both of which are administered by the California Public Employees Retirement System (CalPERS). Separate Section 401 and 457 Deferred Compensation Funds are administered by Great West Retirement Services (Great West).

OBJECTIVE

Investable funds shall be invested to the maximum extent feasible. The primary goal of the investment program is to maintain safety and liquidity of principal and interest while maximizing returns, minimizing risks and ensuring that funds are available to meet anticipated cash flow requirements.

In the investment of its funds, Riverside Transit Agency will be guided by the following principles in order of importance:

1. The primary objective of the investment program is to safeguard the principal of the funds.
2. The secondary objective is to meet the liquidity needs of the Agency.
3. The third objective is to achieve a maximum return while assuming minimal risk on Agency investments.

AUTHORIZED INVESTMENT OFFICERS

The Chief Financial Officer is designated as the Investment Officer for the Agency and is responsible for investment decisions and activities, under the direction of the Chief Executive Officer. Cash management and investment transactions are the responsibility of the Investment Officer. In the absence of the Chief Financial Officer, the Chief Executive Officer will designate a temporary Investment Officer.

The authority to execute investment transactions on behalf of the Riverside Transit Agency will be limited to the:

- Chief Executive Officer
- Chief Financial Officer
- Chief Operating Officer
- Chairman of the Board

Two authorized signatures will be required for all investment transactions and wire transfers as delineated in Resolution 98-04 adopted on May 28, 1998, or any revision thereafter subsequently approved by the Board of Directors.

ETHICS AND CONFLICT OF INTEREST

Officers and employees who are directly involved in the investment program shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair the ability to make impartial investment decisions.

PRUDENCE

The standard to be used by investment officials shall be that of a “prudent person” and shall be applied in the context of managing all aspects of the overall portfolio. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, direction and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as probable income to be derived.

The Agency realized that market prices of securities would vary depending on economic and interest rate conditions at any point in time. It is further recognized, that in a well-diversified investment portfolio, occasional measured losses are inevitable due to economic, bond market or individual security credit risk. These occasional losses must be considered within the context of the overall investment program objectives and the resultant long-term rate of return.

The Investment Officer and other individuals assigned to manage the investment portfolio, acting in accordance within the intent and scope of the investment policy and other written procedures and exercising due diligence, shall not be held personally responsible for security credit risk or market price changes, provided that deviations from expectations are reported immediately to the Chief Executive Officer and that appropriate action is taken to control adverse developments.

SAFEKEEPING

Agency cash and investment securities, if any, shall be held in safekeeping by a designated institution. The institution shall issue a safekeeping receipt to the Agency listing the specific instrument, rate, maturity and other pertinent information as applicable. The independent auditors should review safekeeping procedures annually along with internal controls.

MONITORING AND ADJUSTING THE PORTFOLIO

The Investment Officer will routinely monitor the contents of the portfolio, the available markets and the relative values of competing instruments, and will adjust the portfolio accordingly.

INTERNAL CONTROL

The investment portfolio and all related transactions are reviewed and balanced to appropriate general ledger accounts by the Finance Department on a monthly basis.

Internal controls shall be reviewed annually by the independent auditor. The controls shall be designed to prevent a loss of public funds due to fraud, error, misrepresentation, unanticipated market changes or imprudent actions.

REPORTING

The Investment Officer shall render a quarterly report to the Chief Executive Officer and the Board of Directors within 30 days following the end of the quarter covered by the report. The report will include the following information:

- Type of Investment
- Name of Issuing Institution
- Date of Maturity, if applicable
- Amount of Deposit (Investment)
- Rate of Interest Earned
- Current Market Value of the Investment as of the Date of the report
- Sufficient Funds Statement for Next 30-90 Days' Obligations for Operating Costs
- State compliance of the portfolio to the Statement of Investment Policy

AUTHORIZED INVESTMENTS

Investment of the Agency funds is governed by the California Government Sections 53600 et seq. Within the context of these limitations, the following investments are authorized, as further limited herein:

1. Passbook Savings and Account Demand Deposits with commercial banks or savings and loan banks insured by the Federal Deposit Insurance Corporation and/or collateralized in accordance with the California Government Code. These accounts are liquid; therefore, there is no percentage limitation of the portfolio, which can be invested in this category.
2. Local Agency Investment Fund (LAIF) which is a State of California managed investment pool and may be used to the maximum permitted by the California State Law.
3. California Arbitrage Management (CAMP) Pool. Funds deposited in this category are restricted to the remaining Certificates of Participation (COP) proceeds and interest earned to pay the debt service on the 57 replacement buses purchased in 2001/2002. This service expires in 2014.

4. U.S. Treasury Bills, Bonds, and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio which can be invested in this category. Maturity is not to exceed the projected dates of the Agency's cash needs or two years, whichever is less.
5. County of Riverside Treasurer's Pooled Investment Fund (Riverside County Pool) which is a County of Riverside managed investment pool.

MATURITY SCHEDULED

Investment maturities shall be scheduled, as applicable, to coincide with projected cash flow needs, taking into account large routine expenditures such as payroll, accounts payable and capital purchases along with receipt of projected revenues.

INTEREST EARNINGS

All moneys earned and collected from investments authorized in this policy shall be accrued monthly to various fund accounts based on the cash balances in each fund as a percentage of the entire pooled portfolio.

LEGISLATIVE CHANGES

Any State of California legislative action, that further restricts allowable maturities, investment type or percentage allocations, will be incorporated into the Riverside Transit Agency's Investment Policy and supersede any and all previous applicable language.

POLICY REVIEW

The Board of Directors on an annual basis shall adopt the Riverside Transit Agency's investment policy. This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and yield, and its relevance to current law and financial and economic trends. Any amendments to the policy shall be forwarded to the Board of Directors for approval.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

February 1, 2012

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Craig Fajnor, Chief Financial Officer

SUBJECT: Quarterly Investment Report

Summary: The Agency has two (2) investment vehicles for its cash balance above and beyond immediate need. The first is the Local Agency Investment Fund (LAIF) which is managed by the Treasurer of the State of California. While the balance earns interest on a daily basis, investment results are only published on a quarterly basis – fifteen (15) days after the end of each calendar quarter. The second is the Riverside County Treasurer’s Pooled Investment Fund (County Pool) which is managed by the Treasurer of the County of Riverside. While the balance earns interest on a daily basis, investment results are provided on a quarterly basis as well. However, different from LAIF, County Pool results are provided as follows: approximately 30% five (5) days after the end of the quarter and the remaining 70% forty-five (45) days after the end of the quarter.

In addition, the Agency currently maintains a restricted cash reserve of at least \$1,892,000 which represents the reserve requirement of 10% at the time of closing of the Certificate of Participation (COP) transaction. This COP was utilized to purchase 57 40’ buses for revenue service. This reserve is held in the California Asset Management Pool (CAMP) as it is an approved investment of the COP agreement.

The attached report presents investment performance for the 2nd quarter of FY12 (as of December 31, 2011).

Recommendation:

Receive and file.

RIVERSIDE TRANSIT AGENCY
Investment Report
For the Quarter Ended December 31, 2011

| Investment Type | Institution | Amount of Investment at 12/31/11 | Current Market Value at 12/31/11 | Quarter to Date Average Rate of Interest Earned | Effective Interest Rate for the Quarter | Quarter to Date Interest Earned |
|--|--|---|---|--|--|--|
| Local Agency Investment Fund (LAIF) | State of California | \$ 3,300,000.00 | \$ 3,306,097.05 | 0.389% | 0.384% | \$ 1,685.86 |
| Riverside County Treasurer Pooled Investment Fund | County of Riverside | \$ 27,823,598.82 | \$ 27,823,598.82 | 0.530% | 0.530% | \$ 30,308.62 |
| California Transit Fixed Rate RTA COP 2003A Reserve Fund | California Asset Management Program-CAMP | \$ 1,908,905.43 | \$ 1,908,905.43 | 0.147% | 0.147% | \$ 703.24 |

Note: Sufficient funds are available to meet the next 90 days' operating and 90 days' capital obligations. Additionally, the above portfolio conforms with the Agency's Investment Policy.

RIVERSIDE TRANSIT AGENCY
1825 Third St.
Riverside, CA 92507

February 1, 2012

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Vince Rouzaud, Chief Procurement and Logistics Officer

SUBJECT: Authorization to Issue a Sole Source Purchase Order to Oracle USA, Inc., (Oracle) for Annual Software Licensing and Support Services

Summary: At the February 2000 Board of Directors meeting, the Board authorized the purchase and implementation of a new enterprise-wide Information Management System (system). The system is comprised of two fully integrated software platforms; Oracle financial applications for the Agency's accounting, budgeting, payroll, grants management, fixed assets, purchasing and human resources; and, Spear Technologies (now Hansen) for inventory control and vehicle maintenance. The Agency has two annual licensing and support services agreements with Oracle that are due to expire on June 30 and July 30, 2012.

Oracle is proprietary software and has exclusive control over licensing and technical support for its products. Because of its proprietary nature, in order to be eligible for annual software updates and technical support, the Agency is required to have an annual license and technical support agreement.

In addition, Oracle requires their clients to stay as current as possible with product releases in order to be eligible to receive technical support under their software maintenance agreement. Technical support is a critical component in maintaining system integrity.

Staff has determined that licensing and technical support services for Oracle software cannot be obtained under normal small purchase procedures, sealed bids, or competitive proposals, because no competition exists. Since competitive pricing is not available, staff conducted a price analysis to determine if pricing received from Oracle is considered fair and reasonable. Staff has

reviewed Oracle's proposed pricing, an increase of 2.9 percent from the previous year, and has determined it to be fair and reasonable.

Fiscal Impact:

Funding in the amount of \$36,352.15 for Oracle software licensing and support services has been included in the Agency's FY12 operating budget.

Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Authorize staff to issue a sole source purchase order to Oracle USA, Inc. for annual software licensing and support services in an amount not to exceed \$36,352.15.