

BUDGET LETTER

	NUMBER: BL 02-04
SUBJECT: ORACLE ENTERPRISE LICENSE AGREEMENT COST RECOVERY	DATE ISSUED: February 27, 2002
REFERENCES:	SUPERSEDES:

TO: Agency Secretaries
Department Directors
Departmental Budget Officers
Departmental Accounting Officers
Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

BUDGET OFFICERS ARE REQUESTED TO FORWARD A COPY OF THIS BUDGET LETTER TO THE DEPARTMENT'S/AGENCY'S CHIEF INFORMATION TECHNOLOGY OFFICER.

As described in Management Memo 01-19 of September 17, 2001, the Department of General Services (DGS) entered into an Enterprise License Agreement (ELA) with Oracle Corporation on May 31, 2001, for the purchase of database licenses and maintenance (i.e., technical support) of database licenses. Management Memo 01-19 informed departments that they must acquire all new Oracle database licenses and support through the ELA, and must discontinue annual support fees for maintenance on existing database licenses. Departments were prohibited from remitting payments for maintenance of perpetual licenses to Oracle, and instructed to migrate to the ELA for database support. Management Memo 01-19 also indicated that departments would receive future guidance on the cost allocation methodology.

Pursuant to the ELA, the cost to acquire and maintain Oracle database licenses will now be paid directly by the DGS from the Service Revolving Fund. However, departments that use Oracle database products have funds in their 2001-02 current year budgets that were provided for the acquisition and/or maintenance of Oracle database licenses. Departments are hereby reminded not to spend these monies for any other purpose, because during the next four months DGS will be recouping any current year monies provided to departments for the acquisition and maintenance of Oracle database licenses. The specific amounts for maintenance are being determined first, and are being determined individually for each department by Oracle, in consultation with DGS and the Department of Finance (Finance). Each department will be advised of the amount determined for database license maintenance and will be given an opportunity to discuss these amounts with DGS and Finance. The amounts to be recouped for database license acquisition will be determined after departments' database license acquisitions are confirmed and a charge-back methodology is developed, which will occur sometime before the end of the current fiscal year.

If you have any questions about this process, please contact Judy Day, Finance Performance Review Unit, at (916) 445-1932, extension 3250.

/s/ Yoshie Fujiwara

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