



**DATE: APRIL 2, 2025**

**FROM: INFORMATION TECHNOLOGY**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - CONTRACT BID NO. F-1235 WITH MYTHICS, LLC DOING BUSINESS AS (DBA) MYTHICS VIII, LLC FOR ORACLE CORPORATION CLOUD PRODUCTS AND SERVICES**

**SUMMARY:**

Staff requests approval to award Contract Bid No. F-1235 (Contract) to Mythics, LLC., doing business as (dba) Mythics VIII, LLC (Mythics) for the purchase of Oracle Corporation (Oracle) products and services for the Port of Los Angeles (POLA) Fusion Enterprise Resource Planning (ERP) System. This contract will allow staff to procure Oracle software subscriptions, licenses, learning subscriptions, maintenance, and related products to support ongoing operations, system enhancements, and future growth for the POLA Fusion ERP System.

The term of the proposed Contract is three (3) years and the not-to-exceed amount is \$2,969,036. Staff recommends continuing to procure the required Oracle software and subscriptions for the POLA Fusion ERP System from Mythics as the existing contract, Contract No. 39966 with Mythics expires at the end of March 2025. The recommendation to select Mythics is based on the competitive bid process performed by Maricopa County, Arizona (Maricopa County) for its Contract No. 180233-002 which was extended to November 30, 2028.

The City of Los Angeles Harbor Department (Harbor Department) will be financially responsible for payment of expenditures incurred under the proposed Contract.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Find that in accordance with the Los Angeles Administrative Code Section 10.15(a)(8), the competitive contracting requirement is met using Maricopa County's competitively bid Contract No. 180233-002 between Maricopa County and Mythics;

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3. Find that it is in the best interest of the City of Los Angeles Harbor Department to deviate from the standard provisions of the Harbor Department contract for
  - Section 8: Default by Supplier;
  - Section 10: Inspection;
  - Section 19: Contractor's Liability; and
  - Section 20: Patent Rights;
4. Approve Contract Bid No. F-1235 with Mythics for Oracle cloud software subscriptions, licenses and related products and services for a not-to-exceed compensation amount of \$2,969,036 and a term of three (3) years;
5. Authorize the Executive Director to execute and the Board Secretary to attest to said Contract for and on behalf of the Board; and
6. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background – The Harbor Department has been using the on-premises Oracle Enterprise E-Business Suite (EBS) since October 2012. It was the core system that supported critical financial and purchasing functions across twenty-five (25) business areas, such as general ledger, accounts payable, budgeting, and inventory. It interfaced with both internal systems and external partners, including the City of Los Angeles' Financial Management System and Harbor banking partners.

In response to Oracle's end of standard support for EBS in December 2021, the Harbor Department made the strategic decision to replace its legacy on-premises system with POLA Fusion ERP System. This upgrade was necessary to address significant limitations in reporting, user interface, and software maintenance, while providing flexibility to meet evolving business needs. Planning for the POLA Fusion ERP migration began in August 2019, and the decision to move forward with POLA Fusion ERP was finalized in 2020. To support the migration process, Mythics and NITI Systems Consultants Inc. (NITI) were selected in 2022 as Oracle software reseller and the implementation partner, respectively.

Following the Go-Live of the new POLA Fusion ERP system, the Harbor Department achieved key milestones such as processing Purchase Orders (POs), invoices, completing the month-end closing, and applying security patching to maintain compliance with business unit's financial controls.

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The Oracle POLA Fusion ERP system software offers a comprehensive suite of features for the stakeholders to manage all aspects of the Harbor Department’s finances, including accounting, budgeting, reporting, and analytics that synchronize to allow integration and real-time visibility into the Harbor Department’s financial data.

Previous Board Actions – On March 10, 2022, the Board approved the existing Contract No. 39966 with Mythics for Oracle cloud software subscriptions, licenses and related products and services for a not-to-exceed compensation amount of \$2,949,429 and a term of three years.

On June 27, 2024, the Information Technology (IT) Division requested Board approval to change the vendor’s name from Mythics, Inc. to Mythics, LLC, dba Mythics VIII, LLC (Resolution No. 24-10372). The existing contract expires on March 31, 2025.

Proposed Contract – The proposed Contract Bid No. F-1235 with Mythics (Transmittal 1) is to purchase the following proprietary Oracle products:

- Oracle Software as a Service (SaaS) product subscription hosting the POLA Fusion ERP System in the cloud;
- Oracle Platform as a Service (PaaS), Infrastructure as a Service (IaaS) universal credit subscriptions for Oracle Cloud Infrastructure (OCI) and Oracle Integration Cloud (OIC) to support all POLA Fusion ERP integrations with external systems;
- Oracle Guided Learning (OGL) Managed Services and subscriptions, a tool that provides step-by-step guidance for users to complete tasks in the POLA Fusion ERP System;
- Oracle Linux, Oracle Virtual Machines (VM) for IT infrastructure support; and
- Oracle Primavera Project Management software suite which helps the Construction Division plan, manage and execute construction projects.

All anticipated software expenditures are listed below:

<b>Expenditure Item</b>	<b>Estimated Amount</b>
POLA Fusion ERP SaaS, OCI - PaaS / IaaS Hosting/Subscription, and OGL Subscriptions	\$ 2,800,738
OGL Managed Services	\$ 119,625
Primavera Software	\$ 20,623
PaaS/IaaS Hosting/Subscription for April 2025 to June 2025	\$ 28,050
<b>Total Not-to-Exceed Amount</b>	<b>\$ 2,969,036</b>

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The cost is based on vendor estimates with ten percent (10%) contingency for the first year and twenty-five percent (25%) contingency for the second and third year to cover as-needed software requests. The estimated amount also includes the quarterly PaaS/ IaaS charges, which will be incurred after the existing Contract No. 39966 expires on March 31, 2025.

The Harbor Department is not committed to spending the entire amount of the proposed Contract. Expenditures based on actual needs will be incurred when the Harbor Department authorizes purchases.

The proposed Contract deletes the following provisions from the Harbor Department's General Conditions. These deviations are either required by Oracle, which is the only provider of its software products, or do not apply to cloud services.

- The Indemnification provision in Mythics Contract No. 180233-002 with Maricopa County will govern and is functionally the same as the Harbor Department's standard Indemnification provision.
- The Termination for Non-appropriation provision in Mythics Contract No. 180233-002 with Maricopa County will govern and is functionally the same as the Harbor Department's standard Termination for Non-appropriation provision.
- Section 8 – Default by Supplier: The provisions from Mythics Contract No. 180233-002 with Maricopa County (Transmittal 2), including Oracle's terms and conditions in Exhibits C, D, E, and F, will apply.
- Section 10 – Inspection: This provision does not apply to cloud services.
- Section 19 – Contractor's Liability: The provisions from Mythics Contract No. 180233-002 with Maricopa County, including Oracle's terms and conditions in Exhibits C, D, E, and F, will apply.
- Section 20 – Patent Rights: The provisions from Mythics Contract No. 180233-002 with Maricopa County, including Oracle's terms and conditions in Exhibits C, D, E, and F, will apply.

Furthermore, Mythics' liability under this contract will be limited to the amount of fees paid. Based on research of other contracts for this product, this limitation is an industry standard required by Oracle and its resellers.

Staff recommends that it is in the best interest of the Harbor Department to enter into this Contract despite the deviations from standard terms and conditions. Staff reviewed the deviations and determined they are consistent with other City of Los Angeles contracts for Oracle products.

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Selection Process – Mythics was selected based on the competitive bid process performed by Maricopa County for its Contract No. 180233-002, which it awarded to Mythics for a term of five (5) years on December 12, 2018. Maricopa County Contract No. 180233-002 with Mythics was extended to November 30, 2028. The proposed Contract is the best way for the Harbor Department to procure Oracle products for the POLA Fusion ERP System. In addition to reducing administrative burden by joining the Maricopa County contract, public entities save on Oracle products that have been pre-scoped, negotiated, and bid. A direct purchase from Oracle would eliminate the benefits of the cooperative agreement, while still requiring the same Oracle deviations.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval to enter into a contract with Mythics for Oracle products and services for the POLA Fusion ERP System, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

Approval of the proposed Contract with Mythics authorizes Staff to proceed with the procurement of Oracle products and services for a not-to-exceed compensation amount of \$2,969,036 over three (3) years. Fiscal Year 2024/2025 funding in the amount of \$32,185 is available within Account 542000 – Software Subscriptions, Division 50010 (Information Technology) Program 000.

Upon Board approval, funding for the future four (4) fiscal years will be budgeted as shown in the table below:

<b>IT Division OPEX Budget</b>	
<b>Account: 542000 – Software Subscriptions</b>	
<b>Fiscal Year</b>	<b>Amount</b>
2024/2025	\$ 32,185
2025/2026	\$ 853,257
2026/2027	\$ 1,014,864
2027/2028	\$ 1,068,730
<b>Total Not-To-Exceed Amount</b>	<b>\$ 2,969,036</b>

The actual expenditure may differ from the estimated amounts in the accounts and in any given fiscal year presented in the table above. However, the total aggregate amount will not exceed \$2,969,036.

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A Termination for Non-Appropriation of Funds Clause (also known as a Funding Out Clause) is included in the Contract. Such termination shall be in accordance with the termination provisions outlined in Contract No. 180233-002.


**CITY ATTORNEY:**

The Office of the City Attorney has reviewed and approved the proposed Contract as to form and legality.

**TRANSMITTALS:**

1. Contract Bid No. F-1235
2. Maricopa County Contract No. 180233-002

FIS Approval:   
CA Approval: 

  
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SHEEBA VARUGHESE  
Chief Information Officer

APPROVED:

 for

EUGENE D. SEROKA  
Executive Director

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THOMAS E. GAZSI  
Chief of Public Safety and  
Emergency Management