



## MEMO: Novation Agreement with GLWA

**From:** Mamata Burgi

**Date:** 2/24/21

DWSD Procurement

**To:** Board of Water Commissioners

735 Randolph Ave., Detroit, MI

**Re:** BOWC (March 17, 2021) Agenda Item # 21-0424

**Notification of a Novation Agreement with the Great Lakes Water Authority to transfer between the parties the Reassignment of the Oracle WAM Contract 6002040**

This memo is to inform the BOWC that a Novation Agreement was created by DWSD's Legal Department. The Novation assigns the Oracle WAM contract 6002040, including the fees, scope, terms and conditions to the Great Lakes Water Authority (GLWA).

### BACKGROUND

Since 2003, DWSD has utilized Oracle products for many core business application functions. DWSD installed Oracle WAM under Contract 6002040 (CS-1476) which went live in July 2014. Post bifurcation, in June 2016, enhancements were implemented to permit DWSD and The Great Lakes Water Authority (GLWA) to separate and maintain their respective assets within the same system. Today WAM serves as a core operations software package for both DWSD and the GLWA. It is used to manage and record work orders and service requests, perform asset management functions, manage inventory and support & the AP function. Without this critical system, both the DWSD and GLWA would have material difficulty running day to day operations such as:

- inventory replenishment of stock items,
- creating work orders,
- managing fixed and linear assets, and
- inventory management e.g., cycle counts, adjustments, inventory issue transactions, etc.

Since 2016, software license contracts are being combined with the City of Detroit. Thus, Oracle WAM licenses are being included under the main Oracle license contract, CPA # 2578900.

Under an Information Technology Shared Services Agreement, DWSD charged GLWA a 60% allocation of the \$886,709.73, or \$532,025.84, for its share of the WAM maintenance, leaving \$354,683.89 as DWSD's share. Any expenditure of contingency was billed at 60% to GLWA.

Oracle WAM is currently in the process of being replaced by Cityworks under the Capital Improvement program managed by AECOM. The additional 2 years (7/1/2019 through 6/30/2021) of WAM licensing covered the proposed rollout schedule of Cityworks and decommissioning the use of Oracle WAM by DWSD Materials Management. Once Oracle WAM is decommissioned, DWSD will transition the remaining WAM licenses and contract over to the GLWA while retaining the enhanced security licensing portion.

GLWA will assume all rights, duties, payments and obligations under this contract. GLWA agrees to be bound by and to perform the Contract in accordance with the terms and conditions of the contract.