



Detroit Water and Sewerage Department

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Legislation Details (With Text)

File #: 2024-105 **Version:** 1 **Name:**

Type: Contract Amendment **Status:** Passed

In control: Financial Services

On agenda: 6/18/2024 **Final action:** 6/18/2024

Title: The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to approve Amendment No. 2 to DWSD Contract 6003462 with Mythics, LLC fka Mythics, Inc. to continue providing support and maintenance of Oracle Cloud Licenses by adding \$300,000.00 for a total amended not-to-exceed amount of \$10,203,180.00 and no change to the term end date 11/30/28. This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

Indexes: Board of Water Commissioners, Finance Committee

Code sections:

Attachments:

| Date | Ver. | Action By | Action | Result |
|-----------|------|------------------------------|--------|--------|
| 6/18/2024 | 1 | Board of Water Commissioners | | |
| 6/5/2024 | 1 | Finance Committee | | |

The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **approve Amendment No. 2 to DWSD Contract 6003462 with Mythics, LLC fka Mythics, Inc. to continue providing support and maintenance of Oracle Cloud Licenses by adding \$300,000.00 for a total amended not-to-exceed amount of \$10,203,180.00 and no change to the term end date 11/30/28.** This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

Agenda of June 18, 2024

Item No. 2024-105

Proposed Amendment No. 2

Contract No.: 6003462

Contractor: Mythics, LLC fka Mythics, Inc.

Contractors Address: 4525 Main Street, Ste. 1500, Virginia Beach, VA 23462

Current Contract Amount: \$9,903,180.00

Proposed Amendment No. 2 Amount: \$300,000.00

Proposed New Total Contract Amount: \$10,203,180.00

Current Contract Term: 5/22/21 - 11/30/28

TO: The Honorable
Board of Water Commissioners
City of Detroit, Michigan

FROM: Gary Brown, Director
Water and Sewerage Department

RE: Proposed Amendment No. 2 to DWSD Contract 6003462
Maintenance of Oracle Cloud Licenses - Mythics

MOTION

Upon recommendation of Marqaiha Welch, Procurement Manager, the Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **approve Amendment No. 2 to DWSD Contract 6003462 with Mythics, LLC fka Mythics, Inc. to continue providing support and maintenance of Oracle Cloud Licenses by adding \$300,000.00 for a total amended not-to-exceed amount of \$10,203,180.00 and no change to the term end date 11/30/28.** This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND / JUSTIFICATION

The Oracle software system is the financial enterprise resource planning (ERP) system used by the DWSD and the City of Detroit. This is DWSD's system of financial records shared among business units and its contract database is used to manage and integrate key business processes including requisitioning, budgeting, purchase orders, payments, contracts, etc. Maintaining Oracle licenses is critical to the organization in order to keep all IT infrastructure up and running. Gaps in licensing and services can cause the licenses to expire and the system to shut-off.

In 2017, DWSD and GLWA entered into a user license agreement (ULA) with Mythics, LLC fka Mythics, Inc. for the license, support and maintenance services of DWSD's Oracle licenses. As part of that agreement, DWSD set up an Oracle Cloud subscription in order to replace DWSD's on premise computer infrastructure. The migration was solidified in 2018 with a 3-year agreement with Mythics under the Omnia Partners Cooperative Contract agreement for Oracle Cloud Services. (May 2018 through May 2021).

In May of 2019, DWSD amended the prior agreement to utilize Oracle Universal Cloud Credits and upgrade to Oracle Cloud Generation 2 for zero cost. Since then, DWSD has completed the Oracle Cloud Generation 2 migration and continued to migrate DWSD infrastructure from the GLWA network to the City of Detroit network.

The current DWSD cooperative Contract 6003462 was created through Omnia Partners Contract #180233-002 which was suggested by Mythics rather than the other cooperatives for the same services in order to receive discounted pricing up to 45% off the list price for the long term management of the contract, thereby benefitting DWSD through November 2028. Omnia Partners executed all five additional one-year term renewal options at once for Contract #180233-02.

This proposed Amendment No. 2 is requesting to add an additional \$300,000, which will provide \$60k/year for DWSD for additional licensing for AI implementation, security scanning and machine learning tools. Costs will be as needed T&M. DWSD IT is creating scopes of work with Oracle Consulting in preparation for potential projects. This will also provide \$40k/year for the City of Detroit for Identity Management Services in Oracle Cloud supported applications including but not limited to FUSION, HCM, SCM, etc. Costs will be directly paid by DOIT on SPOs under their control.

PROCUREMENT METHOD

This Contract 6003462 was initiated through Requisition# 483847, which was approved on 3/25/21. The

DWSD Procurement Policy allows for participation in cooperative purchasing agreements from other public purchasing consortiums for competitively solicited contracts. Omnia Partners through Maricopa County, AZ issued, a Request for Proposals for Oracle products and services and Mythics, LLC fka Mythics, Inc. was awarded the contract based on being the highest ranked proposer.

Prior to utilizing a cooperative contract, the DWSD Procurement Policy requires Detroit Based Businesses (DBB) and Detroit Resident Businesses (DRB) be provided an exclusive opportunity to submit a bid that is equal to or less than the price of the cooperative purchase agreement, provided the DBB or DRB will meet or exceed all terms and conditions of the cooperative agreement. To ensure compliance, DWSD Procurement issued an Invitation to Respond (ITR) to MITN on 3/26/21 and required an intent to respond due on 4/1/21 and closed 4/8/21. The ITR opportunity was advertised to 202 companies subscribing to the relevant NIGP code(s). The ITR was viewed by 18 companies and yielded one intent to bid intent. The vendor who submitted a bid intent, was not a DBB or DRB and did not qualify per the policy. The contract was approved by BOWC on 4/21/21 and at Mayoral review on 3/10/21.

The contract term originally runs through 11/30/23. On 11/10/22, Maricopa County exercised all of the five additional one-year term renewals at once to extend the term through 11/30/28. DWSD is also requesting more funds to account for extending the contract term.

Amendment No. 1 was initiated through requisition #504446 and approved by Budget on 2/9/23. The DWSD IT Department is requested an additional five years and added \$5,658,960 for a new not-to-exceed contract amount of \$9,903,180 and a new expiration date of 11/30/28. It was approved by BOWC 4/19/23 and the Mayor 4/13/23.

This Proposed Amendment No. 2 was initiated through requisition #518523 and approved by Budget on 3/14/24. The DWSD IT Department is requesting to add an additional \$300,000.00 for an amended total contract amount not-to-exceed \$10,203,180.00.

This Amendment No. 2 is conditional upon Mythics clearances being approved. A formal amended contract document is not required as all pricing, terms and conditions are accounted for the in the Omnia Partners Cooperative Contract. Per DWSD procurement protocol, and past precedence, no further approvals are required.

SUMMARY

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|----|-------------------------------------|--------------------|
| A. | Contract No.: | 6003462 |
| B. | Initial Contract Amount: | \$4,244,220.00 |
| C. | Amendment No. 1 Amount: | \$5,658,960.00 |
| D. | Proposed Amendment No. 2 Amount: | \$300,000.00 |
| E. | Proposed New Total Contract Amount: | \$10,203,180.00 |
| F. | Initial Contract Term: | 5/22/21 - 11/30/23 |
| G. | Amendment No. 1 Extension: | 12/1/23 - 11/30/28 |

H. Funding Source: O&M Funds

I. GL String(s):

5720-20168-483301-617400-000205-10790-0000-000000 - 38.2 % Water

5820-20179-493301-617400-000226-15805-0000-000000 - 61.8 % Sewer

J. Projected Fiscal Year (FY) Contract Expenditures:

| | |
|----------|-----------|
| FY 24-25 | \$60,000 |
| FY 25-26 | \$100,000 |
| FY 26-27 | \$100,000 |
| FY 27-28 | \$40,000 |

This proposed amendment was presented to the BOWC Finance Committee on June 5, 2024. Per the DWSD Procurement Policy, and past precedence, no further approvals are required.