



Detroit Water and Sewerage Department

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Legislation Details (With Text)

File #: 18-0071 **Version:** 1 **Name:**

Type: Contract **Status:** Passed

In control: Information Technology and Services

On agenda: 4/18/2018 **Final action:** 4/18/2018

Title: The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to approve contract No. 6001373, Mythics Order for Oracle Cloud Computing Services in an amount not to exceed \$4,244,219.13 for three years, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

Indexes: Finance Committee

Code sections:

Attachments: 1. CL- DWSD PaaS renewal 022618 Final

Date	Ver.	Action By	Action	Result
4/18/2018	1	Board of Water Commissioners	approved	Pass
4/4/2018	1	Finance Committee	recommended for approval	Pass

The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **approve contract No. 6001373, Mythics Order for Oracle Cloud Computing Services in an amount not to exceed \$4,244,219.13 for three years**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

Agenda of April 18, 2018

Item No. 18-0071

Contract No. 6001373

Project Length: 1,095 days

Amount: \$4,244,219.13

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

FROM: Gary Brown, Director
Water and Sewerage Department

RE: **Contract Number 6001373 Mythics Order for Oracle Cloud Computing Services for Three Years (\$4,244,219.13)**

MOTION

Upon recommendation of Daniel A. Rainey, Chief Information Officer, the Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **approve contract No. 6001373, Mythics Order for Oracle Cloud Computing Services in an amount not to exceed \$4,244,219.13 (\$1,414,739.71 Annually) for three years**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

JUSTIFICATION

In May 2017, DWSD negotiated with Oracle, under contract CS-1843, the ability to leverage Oracle's Cloud environment for the location and operation DWSD specific network, servers, applications and data. This agreement solidifies Oracle Cloud as DWSD's primary computing platform. DWSD's use of the Oracle Cloud as its primary computing environment is strategic to the now three-year plan for divesting DWSD of GLWA IT support and services, which continue to cost DWSD over \$6 million annually.

BACKGROUND

DWSD's use of the Oracle Cloud as its target primary computing environment is strategic to the now remaining three-year plan for divesting DWSD of GLWA IT support and services, which continue to cost DWSD over \$6 million annually. The Oracle Cloud environment consists of several types of cloud Platform-as-a-Service and Infrastructure-as-a-Service offerings including database services, storage services, computing services, identity and cyber security services, integration services, application and infrastructure monitoring services and analytics services.

DWSD's Oracle Cloud services operate out of two geographically diverse data centers; DWSD's Production Datacenter in Ashburn, VA and DWSD's Test/Recovery Datacenter in Chicago, IL. These specific locations were chosen because they are both considered key global internet and networking hubs and between them, there's enough location separation to withstand regional disasters.

The three-year costs for using the Oracle Cloud services are locked in at a not-to-exceed annual amount of \$1,414,739.71 and would be no more than the \$4,244,219.13 over the three-year period of the agreement. DWSD procured this service through an Oracle Partner called Mythics, via a cooperative called The Cooperative Purchasing Network or TCPN. Through TCPN, DWSD is able to realize overall discounts exceeding 60% of retail price. Mythics' TCPN Contract documents are located at this link: <http://www.nationalipa.org/Vendors/Pages/Mythics.aspx#tabs-contract>. The Mythics page at TCPN is here: <http://www.nationalipa.org/Vendors/Pages/Mythics.aspx>

TCPN is one of several Government Cooperatives the DWSD and the City of Detroit use. A full list is below:

- National Intergovernmental Purchasing Alliance (National IPA)
- National Joint Powers Alliance (NJPA)
- Western States Contracting Alliance (WSCA)
- GSA (US General Services Administration)
- U.S. Communities
- MIDEAL
- The Cooperative Purchasing Network (TCPN)

Government Cooperatives provide their customers a portfolio of services, all competitively bid using best practices. In the TCPN model, contracts are competitively solicited and publicly awarded by a lead government entity. TCPN lead government agencies are cities, counties, and school districts from across the county including Las Vegas, Sacramento, Region 4 School District and Rochester, MI - to name a few of the participating agencies. Awards are made utilizing the best processes and procedures ensuring maximum value with complete transparency of the bidding process. Participating in the cooperative buying power of more than 48,000 entities (that's how many participants TCPN has) allows DWSD to pay less for products and reduce administrative costs and time, which helps us do more with less.

The agreement is effective on May 22, 2018 but not payable until July 1, 2018.

This item was reviewed by the Finance Committee on April 4, 2018 and is a planned and budgeted FY2019 item.