



Detroit Water and Sewerage Department

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Legislation Text

File #: 18-0022, **Version:** 1

The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **approve a purchase order in the amount not to exceed \$750,000.00 to Oracle Corporation for Annual Software Maintenance for WAM and Advanced Security Services**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

Agenda of February 21, 2018

Item No. 18-0022

Amount: \$750,000.00

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

FROM: Gary Brown, Director
Water and Sewerage Department

RE: **Annual Software Maintenance for WAM and Advanced Security Services (\$750,000.00)**

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 a purchase order in the amount not to exceed \$750,000.00 to Oracle Corporation for Annual Software Maintenance for WAM and Advanced Security Services** and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

JUSTIFICATION

DWSD has utilized Oracle products for many core business applications functions since 2003. DWSD installed Oracle WAM under CS-1476 and went live in July 2014. Enhancements that permitted DWSD and The Great Lakes Water Authority (GLWA) to maintain their own assets within the same system were then implement in June 2016. Today WAM serves as the core operations software package for both DWSD and the GLWA, where it is used to manage and record work orders and service requests, perform asset management functions, control inventory and manage procurement. Without this critical system, both the DWSD and GLWA would have material difficulty running day to day operations.

In the spring of 2016 DWSD changed its primary billing method to “by person” from “by street address” and began keeping track of specific customer information in order to facilitate that change. Oracle’s Advanced Security Services enables DWSD to protect that personally identifiable information by providing data encryption for the customer information file and the billing system.

BACKGROUND

Oracle Work and Asset Management (WAM) is a critical software package used by both the DWSD and the GLWA. Without this software, both organizations would have a very difficult time handling day to day activities like maintaining inventory, creating work orders, managing fixed and linear assets and issuing and receiving requisitions for goods and services.

WAM software maintenance is currently billed on a calendar year basis and makes up \$401,500.58 of the Oracle costs with the Advanced Security functions totaling \$8,731.99. Under an Information Technology Shared Services Agreement, DWSD will charge the GLWA a 60 percent allocation of the \$410,232.57, or \$246,139.54, for its share of the WAM maintenance, leaving \$164,093.02 as DWSD's share. The shared attributed to each organization will be also prorated by Fiscal Year and is estimated for the remainder of FY 2018 at \$250,000 for 6 months (1/1/2019 - 6/30/2019).

The net cost to each respective organization is detailed below for each fiscal year.

Organization	FY 2017	FY 2018
DWSD	\$82,046.52	\$182,046.51
GLWA	\$123,069.77	\$273,069.77
Total	\$205,116.29	\$455,116.28