



Detroit Water and Sewerage Department

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Legislation Text

File #: 19-00105, **Version:** 3

The Board of Water Commissioners for the City of Detroit's, Water and Sewerage Department authorizes the Director to **secure Contract No. 6002041 with Oracle Corporation for Annual Software Maintenance and Database Licenses, for an amount not to exceed \$450,000 and a duration of 2-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 17, 2019

Item No. 19-00105

Contract #: 6002041

Duration: 2 years (7/2019 - 6/2021)

Amount: \$450,000.00

Contractor: Oracle America, Inc., 500 Oracle Parkway, Redwood Shores, CA 94065

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

FROM: Gary Brown, Director
Water and Sewerage Department

RE: Contract No. 6002041 with Oracle Corporation Annual Software Maintenance for Oracle Database Licenses

MOTION

Upon recommendation of Mamata Burgi, Procurement Manager, the Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **secure Contract No. 6002041 with Oracle Corporation for Annual Software Maintenance and Database Licenses, for an amount not to exceed \$450,000 and a duration of 2-years** and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

DWSD utilizes many core business applications which rely on Oracle database (DB) software. This is a critical software package used by DWSD to handle day-to-day transactions within key functions such as

- Operations & Finance departments for inventory maintenance & asset management
- Customer Service & Finance departments for billing, and
- IT department to support data warehousing.

DWSD needs these database software licenses and remain under the current vendor supported maintenance agreement.

JUSTIFICATION

Over the next two years, DWSD will be migrating its database to Oracle Public Cloud.

Database software maintenance is requested for this 2-year period to stabilize pricing at a 4% price change year over year. The 2-year period is billed quarterly and results in a total of approximately \$450,000.00 for Oracle Database Licenses. A contingency of \$10,000.00 or ~2.2% is also included if minor adjustments or price increases due to increased support requirements.

The net cost is detailed below for each fiscal year.

Organization	FY 2020	FY 2021
Database Licenses	\$216,560.25	~\$223,439.75
Total	\$216,560.25	~\$223,439.75

PROCUREMENT METHOD

This is a DWSD contract piggybacking on an existing City of Detroit contract that was competitively bid and approved which expires in 2030

These software licenses are currently licensed under the City of Detroit's Agreement # 2578900 and paid for through inter-agency billing. This request, with BOWC approval, will allow DWSD to pay the supplier directly and more accurately track costs.

DETAILS

Funding Source: Operations and Maintenance (O & M)

GL String(s):

5720.20168.483301.622302.000205.10790.0000.000000 = 30% FY 20 \$64,968.08; FY 21 \$67,031.93

5820.20179.493301.622302.000226.15805.0000.000000 = 70% FY 20 \$151,592.17; FY 21 \$156,407.82

Contract Start Date: Tentatively, upon BOWC approval July 2019

Contract End Date: Tentatively, upon BOWC approval June 2021

Original Contract Amount: \$450,000.00

Total Contract Amount: \$450,000.00

This is O&M budgeted and funded in FY2020 and planned for in FY2021.