



Detroit Water and Sewerage Department

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Legislation Text

File #: 20-0137, **Version:** 1

The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **approve Amendment 1 to DWSD Contract 6001066 with Systems and Software for Maintenance and Support of the enQuesta Billing System by adding \$3,930,628.18 and five (5) years for a total amended contract not-to-exceed amount of \$6,225,628.18.** This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

Agenda of May 20, 2020

Item No. 20-0137

Proposed Amendment No. 1

Contract No. 6001066

Contractor: Systems and Software, 10 E. Allen, Winooski, VT 05404

Proposed Amendment No. 1 Amount: \$3,930,628.18

Proposed New Total Contract Amount: \$6,225,628.18

Proposed Extension: 7/1/2020 to 6/30/2025 (5 Years)

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

FROM: Gary Brown, Director
Water and Sewerage Department

RE: Proposed Amendment 1 for Contract 6001600
Support and Maintenance for EnQuesta with Systems and Software

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 **approve Amendment 1 to DWSD Contract 6001066 with Systems and Software for Maintenance and Support of the enQuesta Billing System by adding \$3,930,628.18 and five (5) years for a total amended contract not-to-exceed amount of \$6,225,628.18.** This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

JUSTIFICATION / BACKGROUND

DWSD is being redefined as a customer service agency focused on delivering extraordinary service to our retail water customers. In order to provide this extraordinary level of customer service and support, DWSD must keep its billing system current up to date. In addition, support by an actively engaged vendor is key to keeping the software current and assisting with necessary enhancements.

The current support agreement expires on 6/30/2020. DWSD is also currently upgrading enQuesta to the most current release. This request is to renew DWSD's existing support and maintenance agreement with Systems and Software for an additional 5 years. DWSD's Department of Information Technology worked with the Systems and Software to develop a support and maintenance agreement that protects the investment DWSD has made, and continues to make, in its billing system.

DWSD IT reviewed maintenance agreements of 1, 3 and 5-years in length in order to make the best possible decision for keeping the cost of support manageable. The 5-year maintenance plan option provides a realized savings of \$522,041 over the 1-year plan and \$224,472 over the 3-year plan. Choosing the 5-year option helps stabilize prices and minimizes DWSD IT costs.

	1 Year Renewal 7.5% Increase YoY	3 Year Renewal 5% Increase YoY	5 Year Renewal 3% Increase YoY	Cost Savings of 1 vs 5 Year Plan	Cost Savings of 3 & 5 Year Plan
FY 2021	\$723,551.33	\$706,724.56	\$693,263.14	(\$30,288.19)	(\$13,461.42)
FY 2022	\$777,817.68	\$742,060.79	\$714,061.03	(\$63,765.65)	(\$27,999.76)
FY 2023	\$836,154.01	\$779,163.83	\$735,482.87	(\$100,671.14)	(\$43,680.96)
FY 2024	\$898,865.56	\$818,122.02	\$757,547.36	(\$141,318.20)	(\$60,574.66)
FY 2025	\$966,280.47	\$859,028.12	\$780,273.78	(\$186,006.69)	(\$78,754.34)
Total:	\$4,202,669.04	\$3,905,099.32	\$3,680,628.18	(\$522,040.86)	(\$224,471.14)

Because DWSD continues to redefine and improve the definition of extraordinary customer service, adding a \$50,000/yr. contingency for necessary, but currently unplanned, enhancements is being requested. The total cost per fiscal year is outlined below

	Maintenance	Contingency
FY 2021	\$693,263.14	\$50,000.00
FY 2022	\$714,061.03	\$50,000.00
FY 2023	\$735,482.87	\$50,000.00
FY 2024	\$757,547.36	\$50,000.00
FY 2025	\$780,273.78	\$50,000.00
Total	\$3,680,628.18	\$250,000.00

The total amendment cost would then be \$3,930,628.18. This is a planned and budgeted O&M expense for FY2021 and planned for FY2022, FY2023, FY2024 and FY2025.

DWSD has 2 additional contracts with Systems and Software. One contract is for \$1,162,000 for the upgrade of the system from version 4.1 to version 6. This project is expected to be completed by 2022. The second

contract is for \$50,000 for COVID-19 related modifications to the system to configure Budget billing for customers. This project has been completed. The total anticipated spend with Systems and Software for current projects and support is \$4,892,878.18 through FY 2025 given no changes in current projects.

PROCUREMENT METHOD

The initial contract was procured as a single source exception from competition due to System & Software, Inc.'s intellectual property.

SUMMARY

- A. Contract No.: 6001066
- B. Initial Term: 7/1/2017 - 6/30/2020
- C. Initial Contract Amount: \$2,295,000
- D. Proposed Amendment No. 1 Amount: \$3,930,628.18
- E. Proposed New Total Contract Amount: \$6,25,628.18
- F. Proposed Amendment No. 1 Term: 7/1/2017 to 6/30/20 (3 Years)
- G. Proposed Amendment No. 1 Extension: 7/1/2020 to 6/30/2025 (5 Years)
- H. Funding Source: O & M Funds
- I. Anticipated Fiscal Year Spend:

	Maintenance	Contingency
FY 2021	\$693,263.14	\$50,000.00
FY 2022	\$714,061.03	\$50,000.00
FY 2023	\$735,482.87	\$50,000.00
FY 2024	\$757,547.36	\$50,000.00
FY 2025	\$780,273.78	\$50,000.00
Total	\$3,680,628.18	\$250,000.00

- J. GL Strings(s): 5720-20168-483301-622302-000205-10790-0000-000000 - 30%
5820-20179-493301-622302-000226-15805-0000-000000- 70%

This proposed amendment was presented to the DWSD Finance Sub Committee on May 5, 2020. Per the DWSD Procurement Policy, this will also be sent for Post FRC review.