



Detroit Water and Sewerage Department

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Legislation Text

File #: 21-0599, **Version:** 1

The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **Approve four new Information Technology Shared Service Agreements, the extension of three existing Information Technology Shared Service Agreements, and the retroactive approval of one Information Technology Shared Service Agreement** and authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

Agenda of October 20, 2021

Item No.: 21-0599

Contract Term: 07/01/2021 - 06/30/2022 (12 months)

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

FROM: Gary Brown, Director
Water and Sewerage Department

RE: Approval of New Information Technology Shared Service Agreements and Extensions

MOTION

Upon recommendation of Daniel Rainey, Chief Information Officer, and Debra N. Pospiech, Esq. Chief Administrative Officer and General Counsel, the City of Detroit Water and Sewerage Department's Board of Water Commissioners authorizes the Director to:

(1) Approve the extension of the following Information Technology Shared Services Agreements:

- ITS - 004A - Work Order and Asset Management (WAM)
- ITS - 008A - TIBCO
- ITS - 009A - Infrastructure

(2) Approve the following new Information Technology Shared Services Agreements:

- ITS - 011 - Print Shop
- ITS - 012 - Oracle Database Licensing
- ITS - 013 - Board Room Audio Visual Support
- ITS - 014 - Security Network

And,

(3) Approve the following new retroactive Information Technology Shared Service Agreement:

- ITS - 010 - Oracle ULA,

and authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND AND JUSTIFICATION

GLWA and DWSD have been working diligently since July 2016 to complete the bifurcation tasks associated with Information Technology Separation.

While many of the shared services separations have been completed, the extensions listed above need to continue to support DWSD's business operations in the short to medium term, specifically for the operation of Oracle WAM. Oracle WAM is necessary for managing DWSD's inventory. WAM is being replaced by two Oracle Supply Chain Management modules that are scheduled for implementation in 2022.

The new shared services listed above represent services that are utilized by both GLWA and DWSD and it has been mutually agreed that it will be beneficial to both parties located in the same facilities to have common and shared solutions where possible. The exception to this is ITS-010, which is being recommended for a retroactive approval.

The Oracle ULA is a reference to Oracles' Unlimited License Agreement, which DWSD and GLWA used during the last three years. DWSD negotiated the extension of the agreement and its novation to GLWA in January 2021. The approval of ITS-010 allows DWSD to receive the payments associated with GLWA's portion of the ULA. DWSD no longer needs the Oracle ULA.

FINANCIAL PLAN IMPACT

GLWA and DWSD determines a budget for each Shared Service annually that is provided to each other. Each entity provides a monthly invoice for each Shared Service, as well as monthly payments based on the budgeted amounts. At the end of each fiscal year a True Up is completed to ensure accurate payments for each Shared Service.

Estimated FY2022 shared services budgets are in the table below:

SS #	Shared Service Description	Provider	Subscriber	Due from DWSD	Due From GLWA
ITS-004A	WAM	GLWA	DWSD	\$400,000	
ITS-008A	TIBCO	GLWA	DWSD	\$40,000	
ITS-009A	IT Infrastructure	GLWA	DWSD	\$800,000	
ITS-011	Print Shop	GLWA	DWSD	\$150,000	
ITS-012	Oracle Database	GLWA	DWSD	\$45,000	
ITS-013	Board Room AV Support	GLWA	DWSD	\$25,000	
ITS-014	Security Network	GLWA	DWSD	\$25,000	
ITS-010	Oracle ULA	DWSD	GLWA		\$2,755,593
TOTAL				\$1,485,000	\$2,755,593

The proposed new Information Technology Shared Services agreements and extensions were presented to the BOWC Finance Committee on October 6, 2021.