



Detroit Water and Sewerage Department

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Legislation Text

File #: 2023-81, 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 6003462 with Mythics, Inc. to continue providing support and maintenance of Oracle Cloud Licenses by adding \$5,658,960 for a total amended not-to-exceed amount of \$9,903,180 and to extend the term by 5 years (through 11/30/28) per Omnia Partners extension of Cooperative Contract #180233-002.** This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

Agenda of April 19, 2023

Item No. 2023-81

Proposed Amendment No. 1

Contract No.: 6003462

Contractor: Mythics, Inc.

Contractors Address: 4525 Main Street, Ste. 1500, Virginia Beach, VA 23462

Current Contract Amount: \$4,244,220

Proposed Amendment No. 1 Amount: \$5,658,960

Proposed New Total Contract Amount: \$9,903,180

Current Contract Term: 5/22/21 - 11/30/23

Proposed Amendment No. 1 Term Extension: 12/1/23 - 11/30/28

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

FROM: Gary Brown, Director
Water and Sewerage Department

RE: Proposed Amendment 1 to DWSD Contract 6003462
Maintenance of Oracle Cloud Licenses - Mythics

MOTION

Upon recommendation of Marqacha Welch, 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 6003462 with Mythics, Inc. to continue providing support and maintenance of Oracle Cloud Licenses by adding \$5,658,960 for a total amended not-to-exceed amount of \$9,903,180 and to extend the term by 5 years (through 11/30/28) per Omnia Partners extension of Cooperative Contract #180233-002.** This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND / JUSTIFICATION

The Oracle software system is the financial enterprise resource planning (ERP) system used by the DWSD and the City of Detroit. This is DWSD's system of financial records shared among business units and its contract database is used to manage and integrate key business processes including requisitioning, budgeting, purchase orders, payments, contracts, etc. Maintaining Oracle licenses is critical to the organization in order to keep all IT infrastructure up and running. Gaps in licensing and services can cause the licenses to expire and the system to shut-off.

In 2017, DWSD and GLWA entered into a user license agreement (ULA) with Mythics, Inc. for the license, support and maintenance services of DWSD's Oracle licenses. As part of that agreement, DWSD set up an Oracle Cloud subscription in order to replace DWSD's on premise computer infrastructure. The migration was solidified in 2018 with a 3-year agreement with Mythics under the Omnia Partners Cooperative Contract agreement for Oracle Cloud Services. (May 2018 through May 2021).

In May of 2019, DWSD amended the prior agreement to utilize Oracle Universal Cloud Credits and upgrade to Oracle Cloud Generation 2 for zero cost. Since then, DWSD has completed the Oracle Cloud Generation 2 migration and continued to migrate DWSD infrastructure from the GLWA network to the City of Detroit network.

The current DWSD cooperative Contract 6003462 was created through Omnia Partners Contract #180233-002 which was suggested by Mythics rather than the other cooperatives for the same services in order to receive discounted pricing up to 45% off the list price for the long term management of the contract, thereby benefitting DWSD through November 2023.

Omnia Partners executed all five additional one-year term renewal options at once for Contract #180233-02. DWSD is seeking the BOWC's approval for the extension based on the following criteria:

- Omnia Partners executed extension of the contract
- Availability of budgeted funds
- Satisfactory performance by the vendor

PROCUREMENT METHOD

This Contract 6003462 was initiated through Requisition# 483847, which was approved on 3/25/21. The DWSD Procurement Policy allows for participation in cooperative purchasing agreements from other public purchasing consortiums for competitively solicited contracts. Omnia Partners through Maricopa County, AZ issued, a Request for Proposals for Oracle products and services and Mythics, Inc. was awarded the contract based on being the highest ranked proposer.

Prior to utilizing a cooperative contract, the DWSD Procurement Policy requires Detroit Based Businesses (DBB) and Detroit Resident Businesses (DRB) be provided an exclusive opportunity to submit a bid that is equal to or less than the price of the cooperative purchase agreement, provided the DBB or DRB will meet or exceed all terms and conditions of the cooperative agreement. To ensure compliance, DWSD Procurement issued an Invitation to Respond (ITR) to MITN on 3/26/21 and required an intent to respond due on 4/1/21 and closed 4/8/21. The ITR opportunity was advertised to 202 companies subscribing to the relevant NIGP code(s). The ITR was viewed by 18 companies and yielded one intent to bid intent. The vendor who submitted a bid intent, was not a DBB or DRB and did not qualify per the policy. The BOWC approved the contract on 4/21/21.

The contract was also approved at Mayoral review on 3/10/21.

The contract term originally runs through 11/30/23. On 11/10/22, Maricopa County exercised all of the five additional one-year term renewals at once to extend the term through 11/30/28. DWSD is also requesting more funds to account for extending the contract term.

This Proposed Amendment 1 was initiated through requisition #504446 and approved by Budget on 2/9/23. The DWSD IT Department is requesting an additional five years and adding \$5,658,960 for a new not-to-exceed contract amount of \$9,003,180 and a new expiration date of 11/30/28.

Mythics clearances expire on 2/6/24. A formal amended contract document is not required as all pricing, terms and conditions are accounted for in the Omnia Partners Cooperative Contract.

SUMMARY

A.	Contract No.:	6003462
B.	Initial Contract Amount:	\$4,244,220
C.	Proposed Amendment No. 1 Amount:	\$5,658,960
D.	Proposed New Total Contract Amount:	\$9,903,180
E.	Initial Contract Term:	5/22/21 - 11/30/23
F.	Proposed Amendment No. 1 Extension:	12/1/23 - 11/30/28
G.	Funding Source:	O&M Funds
H.	GL String(s):	
		5720-20168-483301-617400-000205-10790-0000-000000 - 38.2 % Water
		5820-20179-493301-617400-000226-15805-0000-000000 - 61.8 % Sewer
I.	Projected Fiscal Year (FY) Contract Expenditures:	
		FY 23-24 \$1,414,740
		FY 24-25 \$1,414,740
		FY 25-26 \$1,414,740
		FY 26-27 \$1,414,740
		FY 27-28 \$1,414,740

This proposed amendment was presented to the BOWC Finance Committee on April 5, 2023. Per DWSD procurement protocol, FRC Review will be obtained.