



## Legislation Details (With Text)

**File #:** 3310-2017      **Version:** 1

**Type:** Ordinance      **Status:** Passed

**File created:** 12/5/2017      **In control:** Technology Committee

**On agenda:** 12/11/2017      **Final action:** 12/14/2017

**Title:** To appropriate \$2,142,535.60 within the Special Income Tax Fund; to authorize the Director of Finance and Management, on behalf of the Department of Technology, to establish a new contract/purchase order with Dell Marketing L.P., utilizing a State Term Schedule for Microsoft enterprise software licensing and for a “true up” cost associated with the last year of the prior three year agreement; to authorize the expenditure of \$2,142,535.60 or so much thereof as may be necessary from the Special Income Tax Fund for the Department of Technology; and to declare an emergency. (\$2,142,535.60)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Dell STS # OA1108, 2. 3310-2017 EXP, 3. 3310-2017 True Up Year 3 Columbus R4 2017, 4. 3310-2017 Quote- Columbus on premise and true-up unit pricing per year

Date	Ver.	Action By	Action	Result
12/14/2017	1	CITY CLERK	Attest	
12/13/2017	1	MAYOR	Signed	
12/11/2017	1	COUNCIL PRESIDENT	Signed	
12/11/2017	1	Columbus City Council	Approved	Pass

This ordinance authorizes the Director of Finance and Management to establish a contract/purchase order with Dell Marketing L.P on behalf of the Department of Technology for Microsoft enterprise software licensing. This is being done through the State of Ohio Multiple Award Contract (MAC) 0A1108-17AGG, which has an expiration date of 6/30/2019 and is authorized for the city's use by Ordinance No. 582-87 for Microsoft enterprise software licensing. Microsoft Office is the city’s technology standard for desktop computing software, currently used by approximately 6,000 city employees in their daily business. The city also utilizes Microsoft software to support a number of enterprise applications. This ordinance will enable the city to obtain the latest versions of Microsoft software utilizing a single agreement for the entire city.

The term of the proposed three-year agreement commences on January 1, 2018 and ends on December 31, 2020. This ordinance authorizes funds for the first year only, the costs for which total \$1,419,640.64. Payment for subsequent annual terms, estimated at \$1,419,640.64 per year, is contingent on available funding and approval of proper City authorities. The proposed enterprise agreement enables the City to cancel the agreement, without penalty, in the event that funds are not appropriated to pay for future annual terms.

This ordinance also authorizes the “true-up” of the last year (2017) of the current three-year agreement (2015-2017), originally authorized by ordinance 2731-2014 passed December 8, 2014 and most recently the third year was authorized by ordinance 2921-2016 with a passage date of December 5, 2016. The last year “true-up” costs are \$722,894.96, for a total authorized expenditure of \$2,142,535.60.

**1. Amount of additional funds to be expended:      \$722,894.96**

Original contract -1st year amount (2015):	\$1,126,917.72
Modification #1: (1st year -true-up):	\$155,706.78
Original contract - 2nd year amount (2016):	\$1,126,917.72
Modification #2: (2nd year -true-up):	\$207,921.12
Original contract - 3rd year amount (2017):	\$1,126,917.72
Modification #3: (3rd year -true-up):	\$722,894.96

**Total: (3 years (2015-2017) contract and true-up modifications): \$4,467,276.02**

**2. Reason additional goods/services could not be foreseen:**

This modification is needed to incorporate additional Microsoft licenses needed to support City departments' applications. The need to add additional licensing was not anticipated at the time of the original agreement.

**3. Reason other procurement processes are not used:**

To take advantage of the most favorable pricing available for Microsoft software, it is in the City's best interests to utilize the existing agreement with Dell Marketing L.P., instead of utilizing alternative procurement methods.

**4. How cost of modification was determined:**

The cost of the true-up for the additional software was negotiated.

This ordinance also authorizes the appropriation of \$2,142,535.60 within the Special Income Tax Fund to provide funds to establish the new contract and to pay for the "True-Up" of the last year of the prior three year agreement.

**EMERGENCY DESIGNATION:**

Emergency action is requested to expedite authorization of the "true-up" on the current contract and establish a purchase order by 12/22/2017 and to process payment due on the new Microsoft Enterprise licenses contract by 01/01/2018 from the supplier at the price offered.

**FISCAL IMPACT**

Funds have been identified and are available for appropriation in the Special Income Tax fund to accommodate this request.

**CONTRACT COMPLIANCE:**

Vendor Name: Dell Marketing L.P.      DAX Vendor Acct.#: 010030      CC #: 74-2616805      Expiration Date: 11/16/2018

To appropriate \$2,142,535.60 within the Special Income Tax Fund; to authorize the Director of Finance and Management, on behalf of the Department of Technology, to establish a new contract/purchase order with Dell Marketing L.P., utilizing a State Term Schedule for Microsoft enterprise software licensing and for a "true up" cost associated with the last year of the prior three year agreement; to authorize the expenditure of \$2,142,535.60 or so much thereof as may be necessary from the Special Income Tax Fund for the Department of Technology; and to declare an emergency. (\$2,142,535.60)

**WHEREAS**, this legislation authorizes the Director of Finance and Management, on behalf of the Department of Technology, to establish a contract/purchase order for year one of a three year term to acquire Microsoft enterprise software licensing from Dell Marketing L.P., utilizing the State of Ohio Multiple Award Contract (MAC) 0A1108-17AGG, with an expiration date of 6/30/2019; and

**WHEREAS**, the use of the Ohio Department of Administrative Services Cooperative Contract is authorized for the city's use by Ordinance Number 582-87; and

**WHEREAS**, the term of the agreement is for three years, from January 1, 2018 to December 31, 2020, with first year (January 1, 2018 to December 31, 2018) costs totaling \$1,419,640.64; and

**WHEREAS**, the Department of Technology undertakes an annual cost “true up” whereby it assesses how much is owed on the prior years’ contract for Microsoft enterprise software licensing; and

**WHEREAS**, “true up” costs on the last year of the prior three year agreement total \$722,894.96; and

**WHEREAS**, costs for the first year of the new three-year agreement combined with “true up” costs on the last year of the prior three year agreement total \$2,142,535.60; and

**WHEREAS**, the proposed agreement enables the city to cancel the agreement, without penalty, in the event that funds are not appropriated to pay for future annual terms; and

**WHEREAS**, an appropriation is required within the Special Income Tax Fund to provide adequate funds for the above-described costs; and

**WHEREAS**, an emergency exists in the usual daily operation of the Department of Technology in that it is immediately necessary to appropriate funds to the Special Income Tax Fund and authorize the Director of the Finance and Management Department, on behalf of the Department of Technology, to establish a contract/purchase order with Dell Marketing L.P., for Microsoft enterprise software licensing from a State Term Schedule for the first year of a three year term agreement and to modify the current contract agreement for “true-up” on the last year of the prior three year agreement for the preservation of the public health, peace, property, safety and welfare; now, therefore:

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:**

**SECTION 1.** That the sum of \$2,142,535.60 be and hereby is appropriated from the unappropriated balance of Fund 4430, the Special Income Tax Fund, and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ending December 31, 2017 to Department 47 Division 4701, Department of Technology, Object Class: 03, Main Account: 63945, Fund 4430, Subfund 443001, and Program Code CW001.

**SECTION 2.** That the monies appropriated in Section 1 shall be paid upon order of the Technology Director and that no order shall be drawn or money paid except by voucher, the form of which shall be approved by the City Auditor.

**SECTION 3.** That the Director of Finance and Management, on behalf of the Department of Technology, is authorized to establish a contract/purchase order with Dell Marketing L.P., for a three year term agreement from January 1, 2018 to December 31, 2020, with first year (January 1, 2018 to December 31, 2018) for a Microsoft enterprise software licensing agreement in the amount of \$1,419,640.64, and \$722,894.96 for a “true up” modification on the last year of the prior three year agreement for a total of \$2,142,535.60.

**SECTION 4.** That the expenditure of \$2,142,535.60 or so much thereof as may be necessary is hereby authorized to be expended from Fund 4430, the Special Income Tax Fund, Department 47 Division 4701, Department of Technology, Object Class 03, Main Account 63945 and Program CW001. **See Attached File: (3310-2017 EXP)**

**SECTION 5.** That the City Auditor is authorized to make any accounting changes to revise the funding source for all contracts or contract modifications associated with this ordinance.

**SECTION 6.** That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

**SECTION 7.** That the City Auditor is hereby authorized to transfer the unencumbered balance in a project account to the unallocated balance account within the same fund upon receipt of certification by the Director of the Department administering said project that the project has been completed and the monies are no longer required for said project.

**SECTION 8:** That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is

hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.