



Legislation Details (With Text)

File #: 2463-2012 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 11/1/2012 **In control:** Technology Committee

On agenda: 12/3/2012 **Final action:** 12/5/2012

Title: To appropriate \$1,771,378.76 within the Special Income Tax Fund; to authorize the Director of the Department of Technology, to renew and modify a contract/purchase order for the second term of a three year agreement for Microsoft enterprise software licensing from Software House International Corp. (SHI), from a State Term Schedule; and to authorize the expenditure of \$1,771,378.76 or so much thereof as may be necessary from the Special Income Tax Fund for the Department of Technology, and to declare an emergency.(\$1,771,378.76)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Quote Microsoft Enterprise Trueup SHI-5982340, 2. Quote Microsoft Enterprise Base SHI-4969688 (2)

Date	Ver.	Action By	Action	Result
12/5/2012	1	CITY CLERK	Attest	
12/4/2012	1	MAYOR	Signed	
12/3/2012	1	COUNCIL PRESIDENT	Signed	
12/3/2012	1	Columbus City Council	Approved	Pass

BACKGROUND:

This ordinance authorizes the appropriation of \$1,771,378.76 within the Special Income Tax Fund and authorizes the Director of the Department of Technology to renew and modify an agreement with Software House International Corp. (SHI), utilizing the State of Ohio Multiple Award Contract (MAC) 0A07004, with an expiration date of 9/30/2013, authorized for the City's use by Ordinance No. 582-87, for acquiring Microsoft enterprise software licensing. The original agreement (EL012318) was authorized by ordinance 2075-2011, passed December 5, 2011. This ordinance will authorize funding for the second year of the agreement, January 1 to December 31, 2013, at a cost of \$1,402,269.76. This ordinance will also authorize a true-up modification to the agreement in the amount of \$369,109.00, bringing the total cost for the second term to be \$1,771,378.76.

This modification is needed to incorporate additional Microsoft licenses that were not accounted for in the original agreement. The need to add additional licensing was not anticipated at the time of the original agreement. To take advantage of the most favorable pricing available for Microsoft software licenses, it is in the City's best interests to utilize the existing agreement with SHI, instead of utilizing alternative procurement methods. The price of the additional software licenses reflects the pricing available to all public sector organizations in Ohio through the State of Ohio MAC.

EMERGENCY DESIGNATION:

Emergency action is requested to expedite authorization of this contract and establish a purchase order by 12/14/2012 in order to process payment due on licenses by 01/01/2013 from the supplier at the price offered.

Fiscal Impact:

In 2011 the Department of Technology legislation \$1,241,801.55 under ordinance 2075-2011 for the first year (January 1,

2012 to December 31, 2012) of a three year Microsoft enterprise software licensing. The next (second) subsequent annual term (January 1, 2013 to December 31, 2013) for \$1,402,269.76 in addition to \$369,109.00 for (true-up modification for additional licensing) is at a total cost of \$1,771,378.76. Funds to cover the second year of the contract have been identified by the Finance and Management Department and will come from the Special Income Tax Fund. The actual aggregate total for the first and second year will be \$3,013,180.31. The third year term January 01, 2014 through December 31, 2014 is projected at a cost \$1,771,378.76 and is contingent upon available funding and approval of by proper City authorities.

Contract Compliance:

Software House International Corp. (SHI) CC#: 22-3009648; Expiration Date:11/16/2013

To appropriate \$1,771,378.76 within the Special Income Tax Fund; to authorize the Director of the Department of Technology, to renew and modify a contract/purchase order for the second term of a three year agreement for Microsoft enterprise software licensing from Software House International Corp. (SHI), from a State Term Schedule; and to authorize the expenditure of \$1,771,378.76 or so much thereof as may be necessary from the Special Income Tax Fund for the Department of Technology, and to declare an emergency.(\$1,771,378.76)

WHEREAS, these funds totaling \$1,771,378.76 must be appropriated within the Special Income Tax Fund; and

WHEREAS, this legislation also authorizes the Director of the Department of Technology, to renew and modify a contract/ purchase order for the second term of a three year agreement to acquire Microsoft enterprise software licensing from Software House International Corp. (SHI) utilizing the State of Ohio Multiple Award Contract (MAC) 0A07004, with an expiration date of 9/30/2013; 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 original agreement is for three years: January 1, 2012 to December 31, 2014, with the first year (January 1, 2012 to December 31, 2012) at a cost of \$1,241,801.55 was authorized under ordinance 2075-2011, passed December 5, 2011, and payment for the second annual term (January 1, 2013 to December 31, 2013) at \$1,402,269.76 in addition to \$369,109.00 for true-up modification for additional licenses brings the total to \$1,771,378.76; and

WHEREAS, for the third year term (January 1, 2014 to December 31, 2014), now estimated at \$1,771,378.76, is contingent on available funding and approval of by proper City authorities; and

WHEREAS, 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; and

WHEREAS, an emergency exists in the usual and daily operation of the Department of Technology, on behalf of the City, in that it is immediately necessary to authorize the Director of the Department of Technology to renew and modify the contract/ purchase order with Software House International Corp. (SHI), from a State Term Schedule for year two of a three year term agreement to acquire Microsoft enterprise software licensing, 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 \$1,771,378.76 be and hereby is appropriated from the unappropriated balance of Fund 430, 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, 2012, to Department 47-01, Department of Technology, Object Level One Code 03, Object Level Three Code 3358 and OCA code 471430.

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 the Department of Technology, is authorized to renew and modify a contract /purchase order for year two of a three year term agreement for Microsoft enterprise software licensing from Software House International Corp. (SHI) utilizing the State of Ohio Multiple Award Contract (MAC) 0A07004, with an expiration date of 9/30/2013 with the second term from January 1, 2013 to December 31, 2013 at a cost of \$1,402,269.76 in addition to a \$369,109.00 true-up modification for additional licenses bringing the total cost to \$1,771,378.76. That payment for the third annual term (January 1, 2014 to December 31, 2014), estimated now at \$1,771,378.76, is contingent upon available funding and approval of by proper City authorities. That 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.

SECTION 4. That the expenditure of \$1,771,378.76 or so much thereof as may be necessary is hereby authorized to be expended from Fund 430, the Special Income Tax Fund, Department No. 47-01, Department of Technology, Object Level One Code 03, Object Level Three Code 3358, and OCA code 471430.

SECTION 5. 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 6. 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 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.