



## Legislation Text

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**File #: 1693-2016, Version: 1**

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### **BACKGROUND:**

A recent outside audit found the city was out of compliance for maintaining income tax and related data on a server that was no longer being supported and was therefore deemed obsolete. It is estimated that it will take a full year to complete the transfer of data onto the new server due to its volume and complexity. Resources required to complete Project 770/771 (i.e., personnel, software, hardware, etc.) all factor into the cost. The total cost of \$258,039.12 in this ordinance is the capital cost component only associated with the project.

This ordinance authorizes the Director of Finance and Management, on behalf of the Department of Technology (DoT), to establish a purchase order from an existing Universal Term Contract (UTC -PA000213) with OnX USA LLC, which expires June 30, 2017. The purchase order will provide for new HP servers and related peripherals to upgrade the virtual server platform and replace the obsolete equipment. The total cost of this equipment purchase is \$27,709.50.

This ordinance authorizes the Director of the Finance and Management Department, on behalf of the Department of Technology (DoT), to establish a purchase order with DLT Solutions Inc., utilizing State Term Contract -STS-033, #534042, with an expiration date of March 31, 2017, authorized for the City's use by Ordinance No. 582-87; for Oracle software licensing, maintenance and support services in the amount of \$186,893.62. Oracle software is server based and is a critical component for Income Tax business systems in the current environment in addition to the new upgrade. The term period is for one year from the date a of certified purchase order from the City Auditor.

This ordinance also will authorize the Director of the Department of Technology to establish a purchase order /contract with SHI International Corporation to purchase Microfocus Cobol software licenses. The City requires Cobol licensing and support for the City's Income Tax software system. The total cost of the COBOL licensing and support to be provided by SHI International Corporation is \$43,436.00. The term period is for one year from the date a of certified purchase order from the city auditor.

The new hardware and software licenses are needed to support the upgrade and expansion of the current system environment. As a result of SHI being the city's current supplier and contract holder for Microfocus licenses maintenance and support (authorized by ordinance #1279-2016, passed June 20, 2016); the pricing offered the City reflects the agreed cost Microfocus would sell the licenses through SHI. Therefore, it is in the City's best interests to procure Microfocus Cobol licenses through SHI.

This ordinance also requests to waive the competitive bidding provisions in accordance with section 329 of the Columbus City Code.

This ordinance also authorizes the transfer of appropriation and cash between projects within the Information Services Bond Fund, and will amend the 2016 Capital Improvement Budget (CIB), passed by Columbus City Council May 2, 2016 via Ordinance # 0960-2016, to accommodate for the expenditure authorized by this ordinance.

### **EMERGENCY:**

Emergency action is requested to ensure that the necessary purchase orders for equipment and services is established in a timely manner to get the project started immediately to de-commission end-of-life equipment to be replaced and data migration of Income Tax applications as soon as possible to meet federal mandated timeline for being compliant.

### **FISCAL IMPACT:**

The total cost of this ordinance is \$258,039.12, with funds for this expense coming from the Department of Technology, Information Services Division, Capital Improvement Bond Fund in the amount \$258,039.12 by transferring appropriation and cash from Project #:P470058-100000 (\$208,487.35) to the Enterprise System Upgrades Project #P470047-1000000 (as identified in Section three (3)). Sufficient funding in the amount of \$258,039.12 is available in the Department of Technology, Information Services Division, Information Services Bond Fund.

**CONTRACT COMPLIANCE NUMBERS:**

Vendor 1. OnX USA LLC F.I.D.#/ 27-1445264 Expiration Date: 02/02/2017 (DAX Vendor Acct.#: 002899)

Vendor 2. SHI -Software House International Corporation F.I.D.#/: 22-3009648 Expiration Date: 9/01/2017 (DAX Vendor Acct.#: 001671)

Vendor 3. DLT Solutions, LLC CC (STS -033 / 534042) F.I.D #: 54-1599882 Expiration Date: 09/15/2017 (DAX Vendor Acct. No.: 009209)

To amend the 2016 Capital Improvement Budget; to authorize the transfer of appropriation and cash between projects; to authorize the Director of Finance and Management, on behalf of the Department of Technology, to establish purchase orders with OnX USA LLC, from pre-existing Universal Term Contracts (UTC), for the purchase of computer equipment (hardware, maintenance and support services) and DLT Solutions Inc., utilizing a State Term Schedule -STS-, authorized for the City's use by Ordinance No. 582-87; for Oracle software licensing, maintenance and support services; to also authorize the Director of the Department of Technology, to establish a purchase order /contract with SHI -Software House International for Cobol software licensing; to waive the competitive bidding provisions of the Columbus City Code; to authorize the expenditure of \$258,039.12 from the Department of Technology, Information Services Division, Information Services Bond Fund; and to declare an emergency. (\$258,039.12)

**WHEREAS**, this ordinance authorizes the Director of Finance and Management, on behalf of the Department of Technology (DoT), to establish a purchase order from an existing Universal Term Contract (UTC -PA000213) with OnX USA LLC, which expires June 30,2017 for computer hardware equipment and maintenance and support services at a cost of \$27,709.50; and

**WHEREAS**, this ordinance authorizes the Director of Finance and Management, on behalf of the Department of Technology (DoT), to establish a purchase order with DLT Solutions Inc., utilizing State Term Contract -STS-033, #534042, with an expiration date of March 31, 2017, authorized for the City's use by Ordinance No. 582-87; for Oracle software licensing, maintenance and support services for one year from the date of a certified purchase order from the city auditor at a total cost of \$186,893.62; and

**WHEREAS**, this ordinance will also authorize the Director of Technology to establish a purchase order/ contract agreement with SHI International Corporation to provide additional COBOL software licenses, for the Income Tax Project770/771 data migration and system upgrade. The services will cover the period for one year from the date of a certified purchase order from the city auditor at a cost of \$43,436.00; and

**WHEREAS**, this ordinance requests to waive the competitive bidding provisions in accordance with section 329 of the Columbus City Code to allow the Department of Technology to establish a purchase order/ contract with SHI for the Microfocus Cobol software licenses to implement and complete the Income Tax 770/771 project; and

**WHEREAS**, this ordinance also authorizes the transfer of appropriation and cash between projects within the Information Services Bond Fund, and will amend the 2016 Capital Improvement Budget (CIB); and

**WHEREAS**, an emergency exists in the usual daily operation of the Department of Technology, in that it is immediately

necessary for the Director of the Finance and Management to establish multiple purchase order(s) with the OnX USA LLC and DLT Solutions Inc.; and for the Director of Technology to establish a contract agreement with SHI International Corporation to ensure that the necessary purchase orders for equipment and services is established in a timely manner to get the project started immediately to de-commission end-of-life equipment to be replaced and data migration of Income Tax applications as soon as possible to meet federal mandated timeline for being compliant and 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 Director of Finance and Management, on behalf of the Department of Technology, be and is hereby authorized and directed to establish multiple purchase orders with OnX USA LLC from a UTC (PA000213), expiration date June 30, 2017, and DLT Solutions Inc., utilizing State Term Schedule -STS-033, #534042, with an expiration date of March 31, 2017 for the purchase of computer equipment (hardware, software, maintenance and support services), in the amount of \$214,603.12. Also, that the Director of Technology, be and is hereby authorized to establish a contract agreement with SHI International Corporation to provide additional COBOL software licenses, for the Income Tax 770/771 project in the amount of \$43,436.00. The total amount of funds being requested via this ordinance is \$258,039.12.

**SECTION 2:** That the 2016 Capital Improvement Budget is hereby amended as follows to account for appropriations and transfer of funds between projects:

**Department of Technology, Information Services Dept./Div. 47-02**

**Information Services Bonds Fund (carryover)/Fund: #5105: Sub- Fund #:000000**

<u>Project Name/Number/Subfund</u>	<u>Current CIB Amount</u>	<u>Revised Amount</u>	<u>Amount Change</u>
<u>47-02 Unisys Migration:</u>			
P470058-100000 /carryover /	\$208,488	\$ -0-	(\$208,488)
<u>47-02 Enterprise System Upgrades:</u>			
P470047-100000 /carryover /	\$469,525	\$678,013	\$208,488

**SECTION 3:** That the City Auditor is hereby authorized and directed to transfer funds and appropriations within the Information Services Bonds Fund as follows:

**Transfer from:**

**Dept./Div.:** 47-02| **Fund:** 5105| **Subfund:** N/A| **Project Name:** Unisys Migration| **Project Number:** P470058-100000 (Carryover) | **Program Code:** CW001| **Object Class:** 99 | **Main Account:** 50000| **Amount:** \$208,487.35

**Transfer To:**

**Dept./Div.:** 47-02| **Fund:** 5105| **Subfund:** N/A| **Project Name:** Enterprise System Upgrades| **Project Number:** P470047-100000 (Carryover) | **Program Code:** CW001| **Object Class:** 99 | **Main Account:** 50000| **Amount:** \$208,487.35

**SECTION 4:** That the expenditure of \$258,039.12 or so much thereof as may be necessary is hereby authorized to be expended from: **(See attachment 1693-2016 EXP)**

**Dept./Div.:** 47-02| **Fund:** 5105| **Subfund:** 000000| **Project Name:** Enterprise System Upgrades| **Project Number:** P470047-100000 (Carryover) | **Object Class:** 06 |**Main Account:** 66510| **Program Code:** CW001| **Section 3:** 470201| **Section 4:** IT01|**Section 5:** IT0102| **Amount:** \$27,709.50 | OnX USA LLC

**Dept./Div.:** 47-02| **Fund:** 5100| **Subfund:** 000000| **Project Name:** Enterprise System Upgrades| **Project Number:** P470047-100000 (Carryover) | **Object Class:** 06 |**Main Account:** 66510| **Program Code:** CW001| **Section 3:** 470201| **Section 4:** IT03|**Section 5:** IT0304| **Amount:** \$186,893.62 | DLT Solutions,LLC

**Dept./Div.:** 47-02| **Fund:** 5100| **Subfund:** 000000| **Project Name:** Enterprise System Upgrades| **Project Number:** P470047-100000 (Carryover) | | **Object Class:** 06 |**Main Account:** 66510| **Program Code:** CW001| **Section 3:** 470201| **Section 4:** IT03|**Section 5:** IT0303| **Amount:** \$43,436.00 | SHI -Software House International Corporation

**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 the competitive bidding provisions of the Columbus City Codes Chapter 329 are hereby waived for good cause shown.

**SECTION 9:** 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.