



Legislation Text

File #: 2784-2015, Version: 1

BACKGROUND:

This ordinance authorizes the Director of Finance and Management, for the Department of Technology, to establish a purchase order with Dell Marketing L.P., utilizing the State of Ohio Multiple Award Contract (MAC) 0A1108-17AGG with an expiration date of 6/30/2016, 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 utilized by 6,000 city employees to conduct their daily business. The city also utilizes Microsoft software to support a number of enterprise applications, including city intranet sites utilizing SharePoint. This ordinance will enable the city to cost-effectively obtain the latest versions of Microsoft software utilizing a single agreement for the entire city.

The term of the agreement is for three years: January 1, 2015 to December 31, 2017. This ordinance will authorize funds to pay for the second year, at a cost of \$1,126,917.72. Payment for subsequent annual term, estimated at \$1,126,917.72 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 appropriation of \$155,706.78 within the Special Income Tax Fund and authorizes the Director of the Department of Technology to modify an agreement with Dell Marketing L.P., utilizing the State of Ohio Multiple Award Contract (MAC) 0A1108-17AGG, with an expiration date of 6/30/2016, authorized for the City's use by Ordinance No. 582-87, for acquiring Microsoft enterprise software licensing. The original agreement (FL006092) was authorized by ordinance 2731-2014, passed December 8, 2014. This ordinance will authorize funding for the first "true-up" of the enterprise agreement with Dell Marketing L.P. in the amount of \$155,706.78.

1. Amount of additional funds to be expended: \$155,706.78
Original contract - 1st year amount: \$1,126,917.72
Modification #1: (1st year -true-up): \$155,706.78
Original contract - 2nd year amount: \$1,126,917.72
Total: (years 1 & 2 contract) and modification#1: \$2,409,542.22
2. Reason additional goods/services could not be foreseen:
This modification is needed to incorporate additional Microsoft licenses needed to support other City departments. 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 price of the additional software 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 12/22/2015, in order to initiate services on 01/01/2016 from the supplier at the price offered.

FISCAL IMPACT:

Last year the Department of Technology expended \$1,126,917.72 with Dell Marketing L.P. for the first year (January 1, 2015 to December 31, 2015) of a three year Microsoft enterprise software licensing. The cost associated with this legislation is \$1,126,917.72 for the second year (January 1, 2016 to December 31, 2016) of a three year Microsoft enterprise software licensing. The next subsequent annual term (January 1, 2017 to December 31, 2017), estimated at \$1,126,917.72 per year, is contingent on available funding and approval of proper city authorities. This legislation also includes \$155,706.78 for the first "true up" of the enterprise agreement with Dell Marketing L.P., the aggregate total including this purchase is \$2,409,542.22. Funds to cover the second year term cost and "true up" have been identified and will come from the Special Income Tax Fund.

CONTRACT COMPLIANCE:

Vendor Name: Dell Marketing L.P. CC #: 74-2616805 Expiration Date: 11/24/2016

To appropriate \$1,282,624.50 within the Special Income Tax Fund; to authorize the Director of Finance and Management, on behalf of the Department of Technology, to establish a contract/purchase order for the second year of a three year term agreement for Microsoft enterprise software licensing from Dell Marketing L.P., from a State Term Schedule; to authorize the modification to the contract agreement with Dell Marketing L.P. for Microsoft enterprise software licensing for the first year true-up; to authorize the expenditure of \$1,282,624.50 or so much thereof as may be necessary from the Special Income Tax Fund for the Department of Technology; and to declare an emergency. (\$1,282,624.50)

WHEREAS, these funds totaling \$1,282,624.50 must be appropriated within the Special Income Tax Fund; and

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 two 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 6/30/2016; 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: January 1, 2015 to December 31, 2017, with the second year (January 1, 2016 to December 31, 2016) at a cost of \$1,126,917.72; and

WHEREAS, payment for the next annual term (January 1, 2017 to December 31, 2017), estimated at \$1,126,917.72 per year, is contingent on available funding and approval of proper city authorities; and

WHEREAS, this legislation also authorizes the Director of Finance and Management, on behalf of the Department of Technology, to modify the agreement for the first year "true up" of the enterprise agreement with Dell Marketing L.P. from January 1, 2015 to December 31, 2015, at a cost of \$155,706.78; 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 emergency exists in the usual and daily operation of the Department of Technology in that it is

immediately necessary to authorize the Director of Finance and Management to establish a contract/ purchase order with Dell Marketing L.P. from a State Term Schedule for the second year of a three year term agreement and to modify the contract agreement for the first year "true up" of the enterprise 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 \$1,282,624.50 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, 2015, 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 Finance and Management, on behalf of the Department of Technology, is authorized to establish a contract/purchase order for the second year of a three year term agreement to acquire Microsoft enterprise software licensing for the term period (January 1, 2016 to December 31, 2016), at \$1,126,917.72 and to modify the agreement for the first year "true-up" of the enterprise agreement at a cost of \$155,706.78 from Dell Marketing L.P., utilizing the State of Ohio Multiple Award Contract (MAC) 0A1108-17AGG, with an expiration date of 6/30/2016, for a combined total of \$1,282,624.50; with payment for the next annual term (January 1, 2017 to December 31, 2017), estimated at \$1,126,917.72 per year, is contingent on available funding and approval of proper city authorities.

SECTION 4. That the expenditure of \$1,282,624.50 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 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.