

Mayor and Council Communication

DATE: 11/12/19

M&C FILE NUMBER: M&C 19-0296

LOG NAME: 13P AMENDMENT TO SOFTWARE LICENSES AND RELATED SERVICES SHI JC

SUBJECT

Authorize an Amendment to Existing Purchase Agreement with SHI Government Solutions, Inc. for the Purchase of Software Licenses and Related Services to Increase the Amount by \$650,000.00 for a Total Annual Amount to \$1,400,000.00 for the Information Technology Solutions Department (ALL COUNCIL DISTRICTS)

RECOMMENDATION:

It is recommended that the City Council authorize an amendment to existing purchase agreement with SHI Government Solutions, Inc. for the purchase of software licenses and related services to increase the amount by \$650,000.00 for a total annual amount to \$1,400,000.00 for the Information Technology Solutions Department.

DISCUSSION:

The purpose of this M&C is to amend M&C P-12275, approved by the City Council on November 13, 2018. The M&C authorized the execution of a Purchase Agreement with SHI Government Solutions in the annual amount of \$750,000.00 using National IPA Contract No. 2018011-02 and The Department of Information Resources Contract No. DIR-TSO-4092. The Purchase Agreement was increased by \$100,000.00 using the Administrative Change Order allowed by M&C P-12275 in September 2019, for a total annual amount of \$850,000.00.

The Information Technology Solutions (ITS) Department uses the cooperative contracts agreements to purchase computer software packages, software maintenance and related services for desktops, laptops and other smart devices. Software packages include, but are not limited to, Adobe products, VMware products, monitoring software, security software, backup tools, specialty Microsoft products such as Visio, Project and other department required software.

ITS was notified that Microsoft Office 2010 will reach its end of support in 2020. This support lifecycle provides for technical support, bug fixes for discovered issues and security solutions for vulnerabilities. Due to this end of support, all users of Microsoft Office 2010 were preemptively upgraded. ITS is now aware that additional funds are needed to support this project as they were not initially included in the M&C approved on November 13, 2018.

COOPERATIVE PURCHASE: State Law provides that a local government purchasing an item under a Cooperative Purchasing Agreement satisfies state laws requiring that the local government seek competitive bids for purchase of the item. The National Intergovernmental Purchasing Alliance (NIPA) and the Texas Department of Information Services (DIR) contracts have been competitively bid to increase and simplify the purchasing power of government entities across the State of Texas.

PRICE ANALYSIS: The NIPA and DIR contracts offer fixed discounts. Staff reviewed pricing and determined it to be fair and reasonable.

M/WBE: A MBE/SBE goal is not assigned when purchasing from an approved purchasing cooperative or public entity.

SUCCESSOR CONTRACTS: To facilitate planning and budgeting, Staff would prefer to have annual Agreements that align with the Fiscal Year. However, the NIPA and DIR contract are out of alignment with the City's Fiscal Year. The current terms of the contracts are:

AGREEMENT NUMBER	EXPIRATION DATE
National IPA 2018011-02	2/28/2023
DIR-TSO-4092	2/21/2024

In order for these Agreements to align with the City's Fiscal Year, adoption of this M&C technically authorizes (i) a series of Purchase Agreements, each of which will align to the terms of the respective cooperative contracts to ensure legal authority exists for the contract, and (ii) an annual spend amount, future years of which would be subject to City Council appropriation. In the event that a cooperative contract is not renewed, staff would cease purchasing at the end of the last Purchase Agreement coinciding with the valid cooperative contract. If the City Council were to not appropriate funds for a future year, staff would stop making purchases when the last appropriation expires, regardless of whether the then-current Purchase Agreement has expired. The City will initially use these cooperative contracts to make purchases authorized by this M&C. The

cooperative contracts expire on various dates. If a cooperative contract is extended, this M&C authorizes the City to purchase similar software and services under the extended contracts. If a cooperative contract is not extended, but a new cooperative contract is executed with SHI Government Solutions, Inc., with substantially similar terms as the previous cooperative contract, this M&C authorizes the City to purchase the equipment and supplies under the new cooperative contract.

ADMINISTRATIVE CHANGE ORDER: An administrative change order or increase may be made by the City Manager up to the amount allowed by relevant law and the Fort Worth City Code and does not require specific City Council approval as long as sufficient funds have been appropriated.

AGREEMENT TERM: Upon City Council approval, this agreement will commence upon execution by both parties and continue in accordance with the terms and conditions of National IPA 2018011-02 and DIR-TSO-4092 or applicable successive contract for the same services.

RENEWAL OPTIONS: The agreement may be renewed for additional terms according to the cooperative agreement at the City's options to renew. This action does not require specific City Council approval provided that the City Council has appropriated sufficient funds to satisfy the City's obligations during the renewal term. Staff anticipates the cost for renewal years will be approximately the same as for the first year.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the recommendations, funds are available in the current operating budget, as appropriated, in the General Fund and that, prior to an expenditure being incurred, the IT Solutions Department has the responsibility to validate the availability of funds.

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