



Legislation Text

File #: 2019-306, Version: 1

1901569 Dell MiDeal Member Participating Addendum

Agenda of: August 28, 2019

Item No.: **2019-306**

Amount: Original Contract Price:\$ 750,000.00
Change Order 1: \$ 3,297,843.36
New Contract Total: \$ 4,047,843.36

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Sue F. McCormick
Chief Executive Officer
Great Lakes Water Authority

DATE: August 28, 2019

**RE: Contract No. 1901569
Dell MiDeal Member Participating Addendum
Vendor: Dell Computer Corporation**

MOTION

Upon recommendation of Jeffrey E. Small, Chief Information Officer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **authorizes the Chief Executive Officer (CEO) to enter into Change Order No. 1 of Contract No. 1901569, "Dell MiDeal Member Participating Addendum" with Dell Computer Corporation, at a cost not to exceed \$3,297,843.36 for a duration of an additional three (3) years; and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.**

BACKGROUND

On April 15, 2019, the Great Lakes Water Authority (GLWA) entered into a one-year agreement with Dell Computer Corporation leveraging the State of Michigan negotiated MIDEAL cooperative agreement to procure Dell personal computers (PCs), laptops, and tablets in the amount of \$750,000. On August 14, 2019, Information Technology (IT) brought before the Operations and Resources Committee Contract #1902696 "Microsoft Volume Licensing Enterprise Agreement" also leveraging the MIDEAL cooperative agreement. IT is in ongoing discussions to modify the personal computer agreement to supply additional computer equipment. The two services are provided by two distinct Dell account teams and they recommended processing the Microsoft agreement independently. However, since that time, Dell's legal team has advised both us and the Dell account teams that the Microsoft agreement should be a change order to the

original Dell agreement from April 2019.

We request that the Board consider that change order as a substitute for the standalone Microsoft agreement that was presented at O&R on August 14, 2019.

The Great Lakes Water Authority uses Dell PCs as its hardware standard for end user computing including desktops, laptops, and tablets. We operate on a three-year refresh cycle to maximize cyber security protection and ensure that the equipment is capable of running newer software suites.

The Great Lakes Water Authority also utilizes Microsoft products including Microsoft Office 365 (Outlook, Word, Excel, PowerPoint, SharePoint, Skype, OneDrive) as its main business productivity suite. Additional products in this agreement are Project, Visio, Power BI and Windows Server. As the standup of the Authority became imminent, it was necessary to implement an email solution for GLWA (@glwater.org) to meet the business productivity needs of GLWA and separate from the City of Detroit's existing email system. As Microsoft sells only through third parties, GLWA is leveraging the State of Michigan negotiated MIDEAL cooperative agreement to procure these products and leverage the state's volume discount pricing.

JUSTIFICATION

Computers are an essential workplace tool used at Great Lakes Water Authority to conduct day-to-day business. Desktops, laptops and tablets are used by team members on a daily basis to facilitate timely communication, improve efficiency and reduce manual processes.

The Great Lakes Water Authority also uses Microsoft software products to facilitate the organization's ability to interact through email, Skype (instant messaging), Word (word processing), Excel (spreadsheets), PowerPoint (presentation software), Visio (diagramming and vector graphics), SharePoint groups (collaboration and file sharing amongst teams of people), Power BI (business reporting & analytics), and OneDrive (personal online file storage). All these products interact with each other and can be shared to allow multiple authorized team members to collaborate anywhere, anytime, and from any device. Additionally, all these products have both a desktop version and a cloud version through Office 365 online. The Windows Server licensing provides licensing for our virtual server environment in the GLWA datacenter.

BUDGET IMPACT

Summary: Sufficient funds are provided in the financial plan for this project.

Funding Source: Operations & Maintenance Budget

Cost Center: Information Technology Service Delivery (Centralized Services 883321)

Information Technology Infrastructure (Centralized Services 883331)

Expense Type: Capital Outlay less than \$5,000 - Information Technology (901000)

Repairs & Maintenance Hardware - Information Technology (622301)

Estimated Cost by Year and Related Estimating Variance: See table below

Fiscal Year	Amount
FY 2020 Plan	\$1,099,281.12
FY 2021 Plan	1,099,281.12
FY 2022 Plan	1,099,281.12
Financial Plan Estimate	\$3,297,843.36
Maximum Contract	3,297,843.36
Estimating Variance	\$0.00

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

The Microsoft portion of this agreement which has an annual cost of \$599,281.12 is compared to the previous agreement which had an annual cost of \$750,642.07. The yearly savings of \$159,360.95 can be attributed to an ongoing effort to assess and right size our data center footprint which resulted in a reduction of the need for server licenses.

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its meeting on August 14, 2019. The resolution was modified following the Committee's review.

SHARED SERVICES IMPACT

A portion of the Microsoft Windows Server licenses' cost are included in ITS-009.