



## Request for City Council Committee Action from the Department of BIS

Date July 19, 2010

To: The Honorable Betsy Hodges, Chair, Ways and Means Committee

Subject: Amend Unisys contract C-25200.

**Recommendation** Authorize proper city officials to a) execute a single four-year extension instead of two (2) two-year extensions, and b) amend the language contained in Unisys managed services contract C-25200 for a change in the scope of services offered and increase the contract by \$45,050,000.

Prepared by Robert Arko, Contract Administrator, 673-3984

Submitted by Joe Shneider \_\_\_\_\_, 673-2927  
Director, Enterprise Infrastructure

Approved by Steven Bosacker \_\_\_\_\_  
City Coordinator

Presenter in Committee Joe Shneider

Policy Review Group  Not Applicable

Permanent Review Committee (PRC) Approval  Not Applicable

Prior Related Directives:

-December 21, 2007 Council adopted and the Mayor approved the authorization for City officials to renegotiate a five-year Managed Services contract with Unisys Corporation for the City's technology operations, effective January 1, 2008, with two optional two-year extensions for a contract total of \$49,000,000.

**Financial Impact:** None. BIS shall use existing operating budget to fund this initiative.

**Financial Impact** (Check those that apply)

- No financial impact (If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to department's finance contact prior to the Committee Coordinator

**Background/Supporting Information**

The City of Minneapolis entered into a five year, \$49 million managed services contract with Unisys Corporation on January 1, 2008. The contract value and technical provisions were based on the City's technology assets and operations capacity at that point in time. Changes in the City's business requirements cause demand for increased managed services capacity that expands the scope of this contract.

As part of its budget reduction strategy, BIS is seeking approval to amend the Unisys contract as renegotiated, reducing the City's annual spend. Highlights of the renegotiations include:

- Flexibility to delay computer refresh as needed to address budget reductions
- Eliminate Unisys support of the smartphones
- Eliminate Unisys provided data circuits
- Implement a self-service tool for the Installs, Moves, Adds, and Changes (IMAC) process
- Increase change management capabilities through IT tools
- Move e-mail into a Unisys-based service
- Move to a co-mingled storage solution
- Reduce security vulnerabilities
- Extend the contract to 12/31/16

The current contract contains language for the City to exercise two (2) two-year extensions. As part of the renegotiations, BIS is seeking approval to execute a single four-year extension in lieu of the current language. This will extend the contract to December 31, 2016.