



Request for City Council Committee Action from the Department of BIS

Date May 24, 2010

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

Subject: Increase the Unisys contract for Change Order transactions of \$50,000 or less.

Recommendation Authorize proper City officials to increase the Unisys managed services contract C-25200 by \$750,000 for change orders requested by customer departments and BIS.

Prepared by Robert Arko, Contract Administrator, 673-3984

Submitted by Lynn C. Willenbring _____, 673-2927
Chief Information Officer

Approved by Steven Bosacker _____
City Coordinator

Presenter in Committee Lynn Willenbring

Policy Review Group X Not Applicable

Permanent Review Committee (PRC) X Not Applicable

Prior Related Directives:

- August 28, 2009 Council approved an additional \$750,000 to be used for change orders.
- June 12, 2009 Council approved an additional \$500,000 to be used for change orders.
- 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. This will be funded by the customer department requesting the change order or by existing BIS operating funds.

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 contract 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.

To receive services not stipulated in the original agreement, either an amendment or change order to the contract is created. For services that are less than \$50,000, a change order is executed to increase the contract. For services totaling more than \$50,000, an amendment is created. All amendments have been brought to and approved by the City Council.

At the onset of the agreement, the City Council approved an initial \$1,000,000 be used for change orders. On June 12, 2009 and August 28, 2009, Council also approved an additional \$500,000 and \$750,000 respectively to be used for the change orders. At this time, the approved amount for change orders has been exhausted. A summary of these change orders is attached. BIS is seeking to increase the contract by \$750,000 for additional change orders anticipated for the remainder of 2010.