



Request for City Council Committee Action

Date April 16, 2004

To Ways and Means Committee

Prepared by Nancy Larkey Phone 673-5494

Submitted by Karl Kaiser _____

Approved for Submittal John Moir _____

Subject **BIS Master Contract System**

Presenters in Committee Nancy Larkey

Recommendation As an interim measure and to assure continuity BIS recommends the City to amend the existing BIS Master Contracts by extending the Master Contracts dates for one year and increases the authorized contract maximum amount by \$250,000. This action also requires additions and/or amendments to content to reflect ordinance occurring since the inception of the contract and an increase of some scopes for an additional year of services.

THIS ACTION HAS NO FINANCIAL IMPACT.

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 the Budget Office when provided to the Committee Coordinator

Background/Supporting Information

The BIS Master Contract process was approved by City Council on December 29, 2000. BIS Master Contracts accommodate periodic staff augmentation required to maintain and enhance the City's IS environment competitively and nimbly. 50+ Master Contractors participate and of those 9 are certified Small and Under-Utilized Business Program (SUBP) vendors. Competition brings best quality at reasonable cost to the City.



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Current Process

The City uses the State of Minnesota's list of approved vendors as part of a Cooperative Purchasing Venture. By doing so we avoid the cost, effort and resources involved in issuing an RFP for a City exclusive Master Contract list. In addition, using the State list of approved vendors reduces the burden placed on contractors by not imposing multiple and diverse processes in order to be able to participate in public sector business.

To engage in business with the City of Minneapolis, a vendor must:

- ◆ Be listed on the Master Contract or Master Roster with the State of Minnesota
- ◆ Execute a City of Minneapolis contract
- ◆ Provide business/liability insurance for the duration of the contract
- ◆ Prove compliance with Affirmative Action requirements

Vendors are encouraged to become certified under SUBP.

Contracts are limited to \$750,000 and scope limited to \$200,000 unless City Council approves increases.

The Master Contract process has been very successful for BIS. It offers opportunity for more vendors to participate in City work.

Updating Process

BIS Master Contracts started expiring as of April 1, 2004 and most will expire July 1, 2004. The State of Minnesota is reviewing its contract process. It is expected that a determination of potential system changes will be revealed by October 2004, or later. Since the BIS Master Contract system is dependent on the State's system, a interim one-year extension rather than a 3-year renewal of each BIS Master Contract is recommended to assure continuity of vendors currently providing work to the City.

To benefit from new vendors entering the State Master Roster, BIS will accept until October 2004 new vendors listed on the State of Minnesota web site and desiring to participate. Contracts will be issued for one year.

Resumption of Original Process

The newly devised State Master Contract system is expected to focus on cost containment and vendor competition. Once State revisions and/or modifications are final BIS intends to initiate a 3-year contract renewal process.

Increases to current contract amounts and various scopes for the recommended one year extension.

To be consistent with the recommendation BIS asks for approval to raise contract amount and scope limits as follows:

Increase Master Contract

- ◆ Third Wave Partnership contract C-16867 new limit of \$1,200,000 has two elements. This total combines the original \$750,000 contract amount, the 2004 increase of \$250,000 outlined above and prior increases in scope of \$200,000. Prior increases in scopes were requested and approved at Ways and Means meetings of 3/22/02 without the requisite Action to increase in the Contract.

Increase Various Scopes

- ◆ Increase Hollstadt & Associates, Inc. scope C-1639739 for Garth Miles by \$200,000 for a total of \$400,000.
- ◆ Increase The Macro Group scope C-1644003 for Doug Haining by \$200,000 for a total of \$400,000.
- ◆ Increase Third Wave Partnership scope C-1686701 for Marvin Bachmeier by \$150,000 for a total of \$650,000.

