



Request for City Council Committee Action from the Department of BIS

Date December 17, 2007

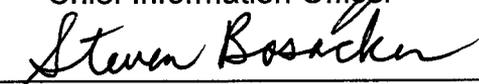
To: The Honorable Paul Ostrow, Chair, Ways and Means Committee

Subject: Renegotiated contract for Technology Operations Managed Services

Recommendation Authorize proper city officials to execute a Managed Services Contract with Unisys Corporation for the City's technology operations for period of five years with two optional two-year extensions. The contract amount totals \$48,000,000 plus an additional \$1,000,000 for anticipated City department initiated orders.

Prepared by Nancy Larkey 612 673-5494

Submitted by Lynn Willenbring  673-2927
Chief Information Officer

Approved by Steven Bosacker 
City Coordinator

Presenter in Committee Lynn Willenbring

Policy Review Group Not Applicable

Permanent Review Committee (PRC) Approval – Not Applicable

Prior Related Directives:

On December 30, 2002 the City Council authorized execution of a contract with Unisys Corporation for Managed Services of technology operations in the amount of \$53,000,000 over seven years. (Note that the current contract amount is \$73,600,000.)

Financial Impact: BIS will continue to charge customers for services currently in use. BIS will use its operating appropriation for enterprise functions. Customers are required to confirm their operating appropriations exist prior to purchase.

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): See above.
 Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information

The City of Minneapolis entered into a seven year contract with Unisys Corporation on December 31, 2002. At the Ways and Means meeting of September 21, 2007 BIS staff was directed to commence contract preliminary negotiations with Unisys for a new contract to commence in January 2008, contingent upon compelling evidence that the renegotiated contract is a better financial and service model for the City than would be obtained through a competitive Request for Proposal process.

Unisys Corporation has proven that managed services are a more cost effective way to manage technology service. Excipio as commissioned by the City Finance department issued a report to that effect. Customer surveys points to satisfaction by the majority of City staff. Key stakeholders recognize that industry standard technology requires a focus that a vendor whose core competency lies in that industry is the best choice.

The City currently outsources the following functions to Unisys Corporation:

- Help Desk Services
- Data Center Services
- Desktop Services
- Asset Management Services
- Web Hosting Services
- E-Mail Services

Unisys provides state-of-the-art security at its Data Centers right here in the metro area to protect City data content.

The new contract focuses on strengthening and increasing our services in the various Service Towers. Stronger service level metrics ensure high level of support.

Renewing with the current vendor avoids significant transition costs, ensures continuous service delivery improvement, and builds upon the five year relationship the City has invested with Unisys. Because much of the service delivery is based upon Unisys knowledge of how the City operates, this can be leveraged in a new contract with Unisys.

With the cost/benefit analysis developed by EquaTerra, BIS recommends we proceed with execution of a new contract.