



## Legislation Text

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**File #:** O-659-22, **Version:** 1

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DPUFINANCE122022SAPHOSTING

Department of Finance, Department of Public Utilities,  
M. Campbell (x1252), C. Geronimo (x2363)  
Revised

**Authorizing the mayor to enter into a SAP hosting and systems administration services agreement for a term of two years with two one-year renewal options; waiving the competitive bidding requirements of Toledo Municipal Code Chapter 187; authorizing the expenditures not to exceed \$2,509,240 from the General Fund and the Utility Administrative Services Fund over the term of the agreement; and declaring an emergency.**

### SUMMARY & BACKGROUND:

Previously Ordinance 377-21 authorized a multi-year agreement with IBM/Kyndryl for the provision of hosting services for the DPU and Finance SAP systems. Since then IBM divested its SAP hosting business and the contract was conveyed to Kyndryl who contracts with IBM to provide hosting services. IBM has raised their hosting fees and the increased rates are passed on to the City as allowed by their contract. This Ordinance authorizes a new multi-year agreement with Kyndryl to continue to provide direct systems administration services and hosting services through a mutually agreed upon third party such as AWS, Google, Azure or other. This Ordinance requests authorization for the agreement, expenditures not to exceed \$2,509,240 and also waives competitive bidding. The waiver of competitive bidding will allow the City to continue with the current systems administration services provider and will allow the team who has been providing this service to assist in moving to a new hosting environment at a lower cost than the current IBM hosting environment.

NOW, THEREFORE, Be it ordained by the Council of the City of Toledo:

SECTION 1. That the mayor is authorized to continue SAP systems administration and hosting services with Kyndryl by executing into a new or amended agreement for a term of two years with the option to renew for two additional one-year terms, upon such terms and conditions as acceptable to the Directors of Public Utilities and Finance.

SECTION 2. That the competitive procurement requirements of Toledo Municipal Code Chapter 187 are waived for the reason that the Council of the City of Toledo finds and determines that it is in the best interest of the City to enter into an agreement with Kyndryl in order ensure uninterrupted SAP systems administration and hosting services at competitive prices.

SECTION 3. That, subject to available appropriation in future years, an amount not to exceed \$1,479,240 is authorized for expenditure from the General Fund, Account Code 1001-14700-1110ERPSTDSTD, and an amount not to exceed \$1,030,000 is authorized for expenditure from the Utility Administrative Services Fund, 6078-31000-4000527STDSTD, for the purpose identified in Section 1.

SECTION 4. That the Finance Director is authorized to issue warrant or warrants against the above

account codes in payment of the obligations incurred pursuant to the agreement authorized in Section 1 upon presentation of proper voucher or vouchers.

SECTION 5. That this Ordinance is declared to be an emergency measure and shall be in full force and affect from and after its passage. The reason for the emergency lies in the fact that this Ordinance is necessary for the immediate preservation of public peace, health, safety, and property and for the further reason that this Ordinance must be immediately effective in order to permit the continued uninterrupted necessary services identified herein.

Vote on emergency clause: yeas \_\_\_\_\_, nays \_\_\_\_\_.

Passed: \_\_\_\_\_, as an emergency measure: yeas \_\_\_\_\_, nays \_\_\_\_\_.

Attest: \_\_\_\_\_  
Clerk of Council

\_\_\_\_\_  
President of Council

Approved: \_\_\_\_\_

\_\_\_\_\_  
Mayor

I hereby certify that the above is a true and correct copy of an Ordinance passed by Council

\_\_\_\_\_.

Attest: \_\_\_\_\_  
Clerk of Council