

To: Honorable Mayor and City Council

From: Melissa R. Marsh, City Manager

Date: June 4, 2023

RE: Information Technology Contract

Background

In 2015, the City contracted IT services through a competitive bid and the assistance of Plante Moran Technology Consulting. BPI was chosen as the most responsible and lowest bidder at that time. In 2020, staff worked with ITAC to rebid this service to ensure we received the best service for the best price. Several ongoing service issues were identified and addressed with BPI through this process. As a result, on November 13, 2020, ITAC voted (3-2) to recommend City Council extend the IT contract with BPI for one year.

At the December 1, 2021, ITAC meeting, BPI staff gave an update and their plan for the upcoming year. Based on this feedback, the situations, and responses from BPI related to ongoing issues, ITAC recommended BPI contract be extended for 18 months to consider the City's fiscal year and budget. This 18-month period expired this June 30, 2023.

Issue

During our internal contractor review process, issues have been expressed by all Departments as to the responsiveness of BPI and services being provided. The staff has attempted to address these issues with BPI with mixed results. Therefore, staff approached Enertron, the second lowest bidder from the 2020 bidding process, for a meeting and updated service quote. This updated quote monthly price varies with the agreement's length; however, three years would be \$22,700 per month or \$272,400. We also contacted Auburn Hills, which is serviced by Enertron, and received mixed reviews with reports of similar service as BPI provides Madison Heights. We have also received a proposal for a one-year service extension from BPI for \$22,500 monthly or \$270,000.

Recommendation

Staff scheduled two review ITAC meetings to discuss and review these issues and proposals and have worked with BPI over the past few months to revise the contract to include enhanced security features and service metrics. These service metrics include quarterly meetings with staff and ITAC and measurable performance standards with credit penalties. Based on these meetings and follow-up with BPI, ITAC unanimously approved recommending City Council approve the service agreement with BPI Technology with an amendment including security and quarterly meetings as discussed.

Therefore, staff recommends City Council consider a motion to approve the information technology services agreement with BPI Technology for one year from July 1, 2023, June 30, 2024, and with ITAC recommendation, grant City Manager the authority to extend on an annual basis, in writing by both parties.