

A RESOLUTION BY FINANCE/EXECUTIVE COMMITTEE AUTHORIZING THE MAYOR OR HIS DESIGNEE TO ENTER INTO MASTER TECHNOLOGY AGREEMENT NUMBER FC-6947 WITH INTERNATIONAL BUSINESS MACHINES CORPORATION, PROCURED VIA SPECIAL PROCUREMENT PURSUANT TO SECTION 2-1191.1 OF THE CITY OF ATLANTA CODE OF ORDINANCES, TO PURCHASE SYSTEM UPGRADES PLUS TWO (2) YEARS OF REMOTE HOSTING SERVICES WITH THREE (3) ONE-YEAR RENEWAL OPTIONS FOR THE CITY OF ATLANTA, IN AN AMOUNT NOT TO EXCEED TWO MILLION, THIRTY-SEVEN THOUSAND, SEVEN HUNDRED TWENTY DOLLARS AND NO CENTS (\$2,037,720.00) PER YEAR, WITH THE TWO (2) YEAR COSTS TOTALING AN AMOUNT NOT TO EXCEED FOUR MILLION, SEVENTY-FIVE THOUSAND, FOUR HUNDRED FORTY-FOUR DOLLARS AND NO CENTS (\$4,075,440.00), ON BEHALF OF THE DEPARTMENT OF INFORMATION TECHNOLOGY, ALL CONTRACTED WORK TO BE CHARGED TO AND PAID FROM THE FUNDING NUMBERS LISTED HEREIN; AND FOR OTHER PURPOSES.

Review List:

Michael Dogan	Completed	10/22/2013 11:50 AM
Information Technology	Completed	10/22/2013 11:56 AM
Susan Garrett	Completed	10/22/2013 12:22 PM
Bertha Davis	Completed	10/22/2013 1:15 PM
Procurement	Completed	10/22/2013 1:50 PM
Adam Smith	Completed	10/22/2013 3:18 PM
Mayor's Office	Completed	10/22/2013 3:39 PM
Office of Research and Policy Analysis	Completed	10/22/2013 4:20 PM
Finance/Executive Committee	Pending	
Atlanta City Council	Pending	
Mayor's Office	Pending	

Certified by Presiding Officer	Certified by Clerk
Mayor's Action <i>See Authentication Page Attachment</i>	

**A RESOLUTION
BY FINANCE/EXECUTIVE COMMITTEE**

A RESOLUTION BY FINANCE/EXECUTIVE COMMITTEE AUTHORIZING THE MAYOR OR HIS DESIGNEE TO ENTER INTO MASTER TECHNOLOGY AGREEMENT NUMBER FC-6947 WITH INTERNATIONAL BUSINESS MACHINES CORPORATION, PROCURED VIA SPECIAL PROCUREMENT PURSUANT TO SECTION 2-1191.1 OF THE CITY OF ATLANTA CODE OF ORDINANCES, TO PURCHASE SYSTEM UPGRADES PLUS TWO (2) YEARS OF REMOTE HOSTING SERVICES WITH THREE (3) ONE-YEAR RENEWAL OPTIONS FOR THE CITY OF ATLANTA, IN AN AMOUNT NOT TO EXCEED TWO MILLION, THIRTY-SEVEN THOUSAND, SEVEN HUNDRED TWENTY DOLLARS AND NO CENTS (\$2,037,720.00) PER YEAR, WITH THE TWO (2) YEAR COSTS TOTALING AN AMOUNT NOT TO EXCEED FOUR MILLION, SEVENTY-FIVE THOUSAND, FOUR HUNDRED FORTY-FOUR DOLLARS AND NO CENTS (\$4,075,440.00), ON BEHALF OF THE DEPARTMENT OF INFORMATION TECHNOLOGY, ALL CONTRACTED WORK TO BE CHARGED TO AND PAID FROM THE FUNDING NUMBERS LISTED HEREIN; AND FOR OTHER PURPOSES.

WHEREAS, IBM provides the City of Atlanta (“City”) with a dedicated processor at a remote location for application hosting (“remote hosting”), maintains system hardware and software, and provides system support services; and

WHEREAS, IBM is providing remote hosting services for some of the City’s critical applications, including Business Licensing (“BLIS”), Criminal Justice Information System (“CJIS”), Fire Safety Permits (“FSAF”), and Uniform Crime Reporting (“UCR”); and

WHEREAS, the Mayor or his designee, on behalf of the City’s Department of Information Technology (“DIT”), was authorized to execute a cooperative purchasing agreement with International Business Machines Corporation (“IBM”) utilizing Federal General Services Administration (“GSA”) schedule number GS-35F-4984H to purchase remote hosting for a period of two (2) years, pursuant to 08-R-1605, which was adopted by the Atlanta City Council (“Council”) on September 2, 2008 and approved by the Mayor on September 8, 2008; and

WHEREAS, the Mayor or his designee was authorized to execute, on behalf of the City, cooperative purchasing agreement number FC-5165 with IBM, utilizing GSA schedule number GS-35F-4984H to purchase remote hosting for a period of two (2) years pursuant to 10-R-1562, adopted by Council on September 7, 2010 and approved pursuant to City Charter Section 2-403 on September 16, 2010; and

WHEREAS, the Chief Procurement Officer authorized a ninety (90) day extension of cooperative purchasing agreement FC-5165 for IBM remote hosting beginning October 11, 2012 and ending January 10, 2013, pursuant to Article X, Division 4, Section 2-1206(a) of the City of Atlanta Code of Ordinances (“Code”); and

WHEREAS, the Mayor or his designee was authorized to execute, on behalf of the City, cooperative purchasing agreement number COA-6361-PL with IBM utilizing GSA schedule number GS-35F-4984H, to purchase remote hosting for a period of six (6) months with no renewal options, pursuant to

12-R-1771, adopted by Council on January 7, 2013 and approved pursuant to City Charter Section 2-403 on January 16, 2013; and

WHEREAS, the Mayor or his designee was authorized to execute, on behalf of the City, month-to-month extensions of cooperative purchasing agreement number COA-6361-PL with IBM to purchase and maintain continued remote hosting services for a period of no more than twelve (12) months, pursuant to 13-O-1263, adopted by Council on September 16, 2013 and approved pursuant to City Charter Section 2-403 on September 25, 2013; and

WHEREAS, DIT desires to enter into a new master technology agreement to purchase DASD (shared), DB2, and Operating System upgrades, in addition to two (2) years of remote hosting and support services with three (3) one-year renewal options; and

WHEREAS, the Chief Information Officer has requested authorization to procure services & upgrades from IBM via special procurement because utilizing GSA schedule number GS-35F-4984H for a cooperative purchase is no longer a viable procurement vehicle for the system upgrades, remote hosting, and support services; and

WHEREAS, pursuant to Section 2-1191.1 of the City of Atlanta Code Of Ordinances (“the Code”), the Chief Procurement Officer may procure supplies, services or construction items through special procurement contracts under certain circumstances; and

WHEREAS, the Chief Procurement Officer has evaluated said request for special procurement authorization and determined that appropriate circumstances exist to authorize the special procurement pursuant to Code Section 2-1191.1 ; and

WHEREAS, the Chief Information Officer and the Chief Procurement Officer recommend authorizing the execution of Master Technology Agreement number FC-6947 with IBM to purchase system upgrades plus remote hosting services, via special procurement, for two (2) years with three (3) one-year renewal options on behalf of DIT.

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA, that the Mayor or his designee is authorized to execute, on behalf of the City, Master Technology Agreement number FC-6947 with IBM, to purchase system upgrades plus remote hosting services, via special procurement, for two (2) years in an amount not to exceed Two Million, Thirty-Seven Thousand, Seven Hundred Twenty Dollars and No Cents (\$2,037,720.00) per year, making the grand total for the initial two (2) year term an amount not to exceed Four Million, Seventy-Five Thousand, Four Hundred Forty-Four Dollars And No Cents (\$4,075,440.00).

BE IT FURTHER RESOLVED, that Master Technology Agreement number FC-6947 with IBM will include an option for the City to renew said agreement for three (3) one-year renewal terms.

BE IT FURTHER RESOLVED, that all contracted work shall be charged to and paid from the following Fund, Department Organization, Account, and Function Activity (“FDOA”) numbers and for other purposes: 1001 (GENERAL FUND) 050202 (IT Applications) 5213001 (CONSULTING / PROFESSIONAL SERVICES-TECHNICAL) 1535000 (DATA PROCESSING/MANAGEMENT INFORMATION SYSTEM).

BE IT FURTHER RESOLVED, that the Chief Procurement Officer, in consultation with the City Attorney is directed to prepare an agreement for execution by the Mayor or his designee.

BE IT FINALLY RESOLVED, that the agreement will not become binding on the City, and the City will incur no obligation or liability under it, until it has been approved as to form by the City Attorney or her designee, executed by the Mayor or his designee, attested to by the Municipal Clerk, and delivered to IBM.



TRANSMITTAL FORM FOR LEGISLATION

TO: MAYOR'S OFFICE.

ATTN: CANDACE BYRD

Dept.'s Legislative Liaison: Kieva Morrison

Contact Number: 404-330-6264

Originating Department: Department of Information Technology

Committee(s) of Purview: Finance/Executive Committee

Chief of Staff Deadline: Friday, October 11, 2013

Anticipated Committee Meeting Date(s): Wednesday, October 30, 2013

Anticipated Full Council Date: Monday, November 4, 2013

Legislative Counsel's Signature: [Signature]

Chief Information Officer Signature (for IT Procurements): [Signature]

Commissioner Signature: _____

Chief Procurement Officer Signature: Adam J. Smith

CAPTION

**A RESOLUTION
BY FINANCE/EXECUTIVE COMMITTEE**

A RESOLUTION AUTHORIZING THE MAYOR OR HIS DESIGNEE TO ENTER INTO MASTER TECHNOLOGY AGREEMENT NUMBER FC-6947 WITH INTERNATIONAL BUSINESS MACHINES CORPORATION, PROCURED VIA SPECIAL PROCUREMENT PURSUANT TO SECTION 2-1191.1 OF THE CITY OF ATLANTA CODE OF ORDINANCES, TO PURCHASE SYSTEM UPGRADES PLUS TWO (2) YEARS OF REMOTE HOSTING SERVICES WITH THREE (3) ONE-YEAR RENEWAL OPTIONS FOR THE CITY OF ATLANTA, IN AN AMOUNT NOT TO EXCEED TWO MILLION, THIRTY-SEVEN THOUSAND, SEVEN HUNDRED TWENTY DOLLARS AND NO CENTS (\$2,037,720.00) PER YEAR, WITH THE TWO (2) YEAR COSTS TOTALING AN AMOUNT NOT TO EXCEED FOUR MILLION, SEVENTY-FIVE THOUSAND, FOUR HUNDRED FORTY-FOUR DOLLARS AND NO CENTS (\$4,075,440.00), ON BEHALF OF THE DEPARTMENT OF INFORMATION TECHNOLOGY, ALL CONTRACTED WORK TO BE CHARGED TO AND PAID FROM THE FUNDING NUMBERS LISTED HEREIN; AND FOR OTHER PURPOSES.

FINANCIAL IMPACT: (if any) \$2,037,720.00

Mayor's Staff Only

Received by CPO: _____ (date)

Received by LC from CPO: _____ (date)

Received by Mayor's Office: 10.11.13 (date)

Reviewed by: [Signature] (date)

Submitted to Council: _____ (date)

Attachment: Transmittal IBM signed (13-R-3688 : Resolution to execute IBM Agreement# FC-6947, Remote Hosting)



CITY OF ATLANTA

Kasim Reed
Mayor

SUITE 1900
55 TRINITY AVENUE, SW
ATLANTA, GA 30303
(404) 330-6204 Fax: (404) 658-7705
Internet Home Page: www.atlantaga.gov

DEPARTMENT OF PROCUREMENT
Adam L. Smith, Esq., CPPO, CPPB, CPPM, CPI
Chief Procurement Officer
asmith@atlantaga.gov

September 12, 2013

PROCUREMENT CODE SECTION 2-1191.1 SPECIAL PROCUREMENT DESIGNATION FC- 6947

Pursuant to Atlanta City Code Section 2-1191.1, the Chief Procurement Officer may initiate a procurement above the small purchase amount specified in Section 2-1190 where he determines that an unusual or unique situation exists that make the application of all requirements of competitive sealed bidding or competitive sealed proposals contrary to the public interest. Such procurement does not technically qualify as sole source procurement under Code Section 2-1191. Any special procurement under this Section is conducted with such competition as practicable under the circumstances. The Chief Procurement Officer in the contract file shall include a written determination of the basis for the procurement and for the selection of the particular contractor.

This special procurement request is to provide support for IBM Mainframe upgrades and continued Remote Hosting services on behalf of the City of Atlanta's (the "City") Department of Information Technology ("DIT").

Having conducted an investigation of the available sources regarding the materials, goods and/or services stipulated herein pursuant to § 2-1191.1 of the City of Atlanta Code of Ordinances, Special Procurement, and my findings are the following:

1. Since 2004, IBM has worked closely with the City to tailor services unique to the City's business and operating needs.
2. Bringing in another vendor would cause the critical support service to lapse because of the lengthy transition period involved and not be cost effective for the City.
3. The term of service shall be for twenty-four (24) months.
4. The cost of the services shall not exceed \$2,037,724.00 per contract year.

Special Procurement Designation
FC-6947, IBM Mainframe Hosting
September 12, 2013
Page 2

I, Adam L. Smith, by the authority vested in me pursuant to § 2-1191.1 of the City of Atlanta Code of Ordinances, do hereby approve, direct and authorize the special procurement for professional services to be provided by IBM Corporation.


Adam L. Smith

Attachment: FC-6947_IBM Remote Hosting_DOP SP Auth. Letter (13-R-3688 : Resolution to execute IBM Agreement# FC-6947, Remote Hosting)

(Do Not Write Above This Line)

First Reading
Committee _____
Date _____
Chair _____
Referred To _____

FINAL COUNCIL ACTION
 2nd 1st & 2nd 3rd
Readings
 Consent V Vote RC Vote

**A RESOLUTION
BY FINANCE/ EXECUTIVE COMMITTEE**

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Committee _____
Date _____
Chair _____
Action
Fav, Adv, Hold (see rev. side)
Other _____
Members _____
Refer To _____

Committee _____
Date _____
Chair _____
Action
Fav, Adv, Hold (see rev. side)
Other _____
Members _____
Refer To _____

CERTIFIED

- CONSENT REFER
- REGULAR REPORT REFER
- ADVERTISE & REFER
- 1st ADOPT 2ND READ & REFER
- PERSONAL PAPER REFER

Committee _____
Date _____
Chair _____
Action
Fav, Adv, Hold (see rev. side)
Other _____
Members _____
Refer To _____

Committee _____
Date _____
Chair _____
Action
Fav, Adv, Hold (see rev. side)
Other _____
Members _____
Refer To _____

MAYOR'S ACTION

Date Referred _____
Referred To: _____
Date Referred _____
Referred To: _____
Date Referred _____
Referred To: _____

Attachment: FC-6947_IBM Remote Hosting legislation_2yrs (13-R-3688 : Resolution to execute IBM

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BY FINANCE/EXECUTIVE COMMITTEE**

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WHEREAS, IBM provides the City of Atlanta (“City”) with a dedicated processor at a remote location for application hosting (“remote hosting”), maintains system hardware and software, and provides system support services; and

WHEREAS, IBM is providing remote hosting services for some of the City’s critical applications, including Business Licensing (“BLIS”), Criminal Justice Information System (“CJIS”), Fire Safety Permits (“FSAF”), and Uniform Crime Reporting (“UCR”); and

WHEREAS, the Mayor or his designee, on behalf of the City’s Department of Information Technology (“DIT”), was authorized to execute a cooperative purchasing agreement with International Business Machines Corporation (“IBM”) utilizing Federal General Services Administration (“GSA”) schedule number GS-35F-4984H to purchase remote hosting for a period of two (2) years, pursuant to 08-R-1605, which was adopted by the Atlanta City Council (“Council”) on September 2, 2008 and approved by the Mayor on September 8, 2008; and

WHEREAS, the Mayor or his designee was authorized to execute, on behalf of the City, cooperative purchasing agreement number FC-5165 with IBM, utilizing GSA schedule number GS-35F-4984H to purchase remote hosting for a period of two (2) years pursuant to 10-R-1562, adopted by Council on September 7, 2010 and approved pursuant to City Charter Section 2-403 on September 16, 2010; and

WHEREAS, the Chief Procurement Officer authorized a ninety (90) day extension of cooperative purchasing agreement FC-5165 for IBM remote hosting beginning October 11, 2012 and ending January 10, 2013, pursuant to Article X, Division 4, Section 2-1206(a) of the City of Atlanta Code of Ordinances (“Code”); and

WHEREAS, the Mayor or his designee was authorized to execute, on behalf of the City, cooperative purchasing agreement number COA-6361-PL with IBM utilizing GSA schedule number GS-35F-4984H, to purchase remote hosting for a period of six (6) months with no renewal options, pursuant to 12-R-1771, adopted by Council on January 7, 2013 and approved pursuant to City Charter Section 2-403 on January 16, 2013; and

WHEREAS, the Mayor or his designee was authorized to execute, on behalf of the City, month-to-month extensions of cooperative purchasing agreement number COA-6361-PL with IBM to purchase and maintain continued remote hosting services for a period of no more than twelve (12) months, pursuant to

13-O-1263, adopted by Council on September 16, 2013 and approved pursuant to City Charter Section 2-403 on September 25, 2013; and

WHEREAS, DIT desires to enter into a new master technology agreement to purchase DASD (shared), DB2, and Operating System upgrades, in addition to two (2) years of remote hosting and support services with three (3) one-year renewal options; and

WHEREAS, the Chief Information Officer has requested authorization to procure services & upgrades from IBM via special procurement because utilizing GSA schedule number GS-35F-4984H for a cooperative purchase is no longer a viable procurement vehicle for the system upgrades, remote hosting, and support services; and

WHEREAS, pursuant to Section 2-1191.1 of the City of Atlanta Code Of Ordinances (“the Code”), the Chief Procurement Officer may procure supplies, services or construction items through special procurement contracts under certain circumstances; and

WHEREAS, the Chief Procurement Officer has evaluated said request for special procurement authorization and determined that appropriate circumstances exist to authorize the special procurement pursuant to Code Section 2-1191.1 ; and

WHEREAS, the Chief Information Officer and the Chief Procurement Officer recommend authorizing the execution of Master Technology Agreement number FC-6947 with IBM to purchase system upgrades plus remote hosting services, via special procurement, for two (2) years with three (3) one-year renewal options on behalf of DIT.

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA, that the Mayor or his designee is authorized to execute, on behalf of the City, Master Technology Agreement number FC-6947 with IBM, to purchase system upgrades plus remote hosting services, via special procurement, for two (2) years in an amount not to exceed Two Million, Thirty-Seven Thousand, Seven Hundred Twenty Dollars and No Cents (\$2,037,720.00) per year, making the grand total for the initial two (2) year term an amount not to exceed Four Million, Seventy-Five Thousand, Four Hundred Forty-Four Dollars And No Cents (\$4,075,440.00).

BE IT FURTHER RESOLVED, that Master Technology Agreement number FC-6947 with IBM will include an option for the City to renew said agreement for three (3) one-year renewal terms.

BE IT FURTHER RESOLVED, that all contracted work shall be charged to and paid from the following Fund, Department Organization, Account, and Function Activity (“FDOA”) numbers and for other purposes: 1001 (GENERAL FUND) 050202 (IT Applications) 5213001 (CONSULTING / PROFESSIONAL SERVICES-TECHNICAL) 1535000 (DATA PROCESSING/MANAGEMENT INFORMATION SYSTEM).

BE IT FURTHER RESOLVED, that the Chief Procurement Officer, in consultation with the City Attorney is directed to prepare an agreement for execution by the Mayor or his designee.

BE IT FINALLY RESOLVED, that the agreement will not become binding on the City, and the City will incur no obligation or liability under it, until it has been approved as to form by the City Attorney or her designee, executed by the Mayor or his designee, attested to by the Municipal Clerk, and delivered to IBM.

Part II: Legislative White Paper:

(This portion of the Legislative Request Form will be shared with City Council members and staff)

A. Committee of Purview: FINANCE/EXECUTIVE**Caption:**

A RESOLUTION
BY FINANCE/EXECUTIVE COMMITTEE

A RESOLUTION AUTHORIZING THE MAYOR OR HIS DESIGNEE TO ENTER INTO MASTER TECHNOLOGY AGREEMENT NUMBER FC-6947 WITH INTERNATIONAL BUSINESS MACHINES CORPORATION, PROCURED VIA SPECIAL PROCUREMENT PURSUANT TO SECTION 2-1191.1 OF THE CITY OF ATLANTA CODE OF ORDINANCES, TO PURCHASE SYSTEM UPGRADES PLUS TWO (2) YEARS OF REMOTE HOSTING SERVICES WITH THREE (3) ONE-YEAR RENEWAL OPTIONS FOR THE CITY OF ATLANTA, IN AN AMOUNT NOT TO EXCEED TWO MILLION, THIRTY-SEVEN THOUSAND, SEVEN HUNDRED TWENTY DOLLARS AND NO CENTS (\$2,037,720.00) PER YEAR, WITH THE TWO (2) YEAR COSTS TOTALING AN AMOUNT NOT TO EXCEED FOUR MILLION, SEVENTY-FIVE THOUSAND, FOUR HUNDRED FORTY-FOUR DOLLARS AND NO CENTS (\$4,075,440.00), ON BEHALF OF THE DEPARTMENT OF INFORMATION TECHNOLOGY, ALL CONTRACTED WORK TO BE CHARGED TO AND PAID FROM THE FUNDING NUMBERS LISTED HEREIN; AND FOR OTHER PURPOSES.

Council Meeting Date: Monday, November 4, 2013

Requesting Dept: Information Technology

B. To be completed by the department:**1. Please provide a summary of the purpose of this legislation (Justification Statement).**

DIT would like Council to authorize the execution of Master Technology Agreement number FC-6947 with IBM, to purchase system upgrades plus remote hosting services, via special procurement, for two (2) years in an amount not to exceed \$2,037,720.00 per year, making the grand total for the initial two (2) year term an amount not to exceed \$4,075,440.00.

Master Technology Agreement number FC-6947 with IBM will also include an option for the City to renew said agreement for three (3) one-year renewal terms.

2. Please provide background information regarding this legislation.**Background / Justification**

IBM provides the City of Atlanta ("City") with a dedicated processor at a remote location for application hosting ("remote hosting"), maintains system hardware and software, and provides system support services.

IBM is providing remote hosting services for some of the City's critical applications, including Business Licensing ("BLIS"), Criminal Justice Information System ("CJIS"), Fire Safety Permits ("FSAF"), and Uniform Crime Reporting ("UCR").

Previous final action legislation includes:

- 12-R-1771, adopted by Council 1/7/2013 & approved pursuant to City Charter 1/16/2013.
- 10-R-1562, adopted by Council 9/7/2010 & approved pursuant to City Charter 9/16/2010.
- 08-R-1605, adopted by Council 9/2/2008 & approved pursuant to City Charter 9/8/2008.

Due to extended negotiations over terms and conditions for a new remote hosting & upgrade services agreement, Council authorized the month-to-month extension of Cooperative Purchasing Agreement number COA-6361-PL, for a period of no more than twelve (12) months, pursuant to 13-O-1263, adopted by Council on September 16, 2013 and approved pursuant to City Charter Section 2-403 on September 25, 2013.

The Chief Information Officer then requested authorization to procure services & upgrades from IBM via special procurement because utilizing GSA schedule number GS-35F-4984H for a cooperative purchase is no longer a viable procurement vehicle for the system upgrades, remote hosting, and support services.

The Chief Procurement Officer evaluated said request for special procurement authorization and determined that appropriate circumstances exist to authorize the special procurement pursuant to Code Section 2-1191.1; and

DIT now desires to enter into a new master technology agreement with IBM to purchase, via special procurement, DASD (shared), DB2, and Operating System upgrades, in addition to two (2) years of remote hosting and support services with three (3) one-year renewal options.

Recommendation

The Chief Information Officer and the Chief Procurement Officer recommend authorizing the execution of Master Technology Agreement number FC-6947 with IBM to purchase system upgrades plus remote hosting services, via special procurement, for two (2) years with three (3) one-year renewal options on behalf of DIT.

3. If Applicable/Known:

- (a) Contract Type (e.g. Professional Services, Construction Agreement, etc):** Professional services.
- (b) Source Selection:** Special Procurement
- (c) Bids/Proposals Due:**
- (d) Invitations Issued:**
- (e) Number of Bids:**
- (f) Proposals Received:**
- (g) Bidders/Proponents:**
- (h) Term of Contract:** Two (2) years with three (3) one-year renewal options.

4. Fund Account: FDOA 1001

5. Source of Funds: 1001 (GENERAL FUND) 050202 (IT Applications) 5213001 (CONSULTING / PROFESSIONAL SERVICES-TECHNICAL) 1535000 (DATA PROCESSING/MANAGEMENT INFORMATION SYSTEM)

6. Fiscal Impact: \$2,037,720.00 for FY14 and \$2,037,720.00 for FY15.

7. Method of Cost Recovery: N/A

This Legislative Request Form Was Prepared By: Kieva Morrison, DIT Legislative Analyst

**LEGISLATIVE SUMMARY
FC-6947, IBM CORPORATION REMOTE HOSTING SERVICES & SYSTEM
UPGRADES**

TO: FINANCE/EXECUTIVE COMMITTEE

CAPTION

**A RESOLUTION
BY FINANCE/EXECUTIVE COMMITTEE**

A RESOLUTION AUTHORIZING THE MAYOR OR HIS DESIGNEE TO ENTER INTO MASTER TECHNOLOGY AGREEMENT NUMBER FC-6947 WITH INTERNATIONAL BUSINESS MACHINES CORPORATION, PROCURED VIA SPECIAL PROCUREMENT PURSUANT TO SECTION 2-1191.1 OF THE CITY OF ATLANTA CODE OF ORDINANCES, TO PURCHASE SYSTEM UPGRADES PLUS TWO (2) YEARS OF REMOTE HOSTING SERVICES WITH THREE (3) ONE-YEAR RENEWAL OPTIONS FOR THE CITY OF ATLANTA, IN AN AMOUNT NOT TO EXCEED TWO MILLION, THIRTY-SEVEN THOUSAND, SEVEN HUNDRED TWENTY DOLLARS AND NO CENTS (\$2,037,720.00) PER YEAR, WITH THE TWO (2) YEAR COSTS TOTALING AN AMOUNT NOT TO EXCEED FOUR MILLION, SEVENTY-FIVE THOUSAND, FOUR HUNDRED FORTY-FOUR DOLLARS AND NO CENTS (\$4,075,440.00), ON BEHALF OF THE DEPARTMENT OF INFORMATION TECHNOLOGY, ALL CONTRACTED WORK TO BE CHARGED TO AND PAID FROM THE FUNDING NUMBERS LISTED HEREIN; AND FOR OTHER PURPOSES.

Committee Meeting Date:	October 30, 2013
Council Meeting Date:	November 4, 2013
Legislation Title:	IBM Remote Hosting Services & System Upgrades
Requesting Dept.:	Department of Information Technology
Contract Type:	Special Procurement
Advertisement:	N/A
Bids/Proposals Due:	N/A
Invitations Mailed:	N/A
Bids/Proposals Received:	NA/
Bidders:	N/A

Contractor: IBM Corporation

Estimated Value: \$2,037,720.00 per year for two (2) year initial term,

Scope Summary: IBM will provide the City with a dedicated processor at a remote location for application hosting (“remote hosting”), upgrade and maintain system hardware and software, and provide system support services.

Background: IBM is providing remote hosting services for some of the City’s critical applications, including Business Licensing (“BLIS”), Criminal Justice Information System (“CJIS”), Fire Safety Permits (“FSAF”), and Uniform Crime Reporting (“UCR”). DIT now desires to enter into a new master technology agreement with IBM to purchase, via special procurement, DASD (shared), DB2, and Operating System upgrades, in addition to two (2) years of remote hosting and support services with three (3) one-year renewal options

Evaluation Team: DIT

Term of Contract: Two (2) years three (3) one-year renewal options

Fund Account Centers: 1001 (GENERAL FUND) 050202 (IT Applications) 5213001 (CONSULTING / PROFESSIONAL SERVICES-TECHNICAL) 1535000 (DATA PROCESSING/MANAGEMENT INFORMATION SYSTEM)

Prepared By: Lloyd Richardson

Contact Number: (404) 865.8504

IBM Global Technology Services (IBM) Statement of Work For City of Atlanta Mainframe Hosting

October 10, 2013

Deleted: July 3

Deleted: September 24

City of Atlanta Contact Information

Mr. Michael Dogan
City of Atlanta
55 Trinity Avenue SW
Atlanta, GA 30303
mdogan@atlantaga.gov

IBM Contact Information

Mr. Michael Ross
IBM Global Services
800 N. Frederick Avenue
Gaithersburg, MD 20879
mross1@us.ibm.com

Deleted: Sam Grese

Deleted: grese@us.ibm.com

Deleted: Unless authorized under the Georgia Open Records Act, this Statement of Work includes information that shall not be disclosed outside the City of Atlanta and shall not be duplicated, used, or disclosed in whole or in part for any purpose other than to evaluate this statement of work. If, however, a contract is awarded to IBM as a result of, or in connection with, the submission of this data, the City of Atlanta shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the City of Atlanta's right to use information contained in this data if it is obtained from another source without restriction. This proposal is valid for 120 days from the date above, after which time we reserve the right to withdraw or revise it. The City of Atlanta agrees to: promptly notify IBM of any requests made under the Open Records Act for any data, information, or materials related to IBM; and afford IBM an opportunity to respond and object to any such requests.

SMG Revised, 10/10/2013.

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IBM Statement of Work – Processor On Demand Services

This SOW defines the Processor On Demand Services (“PODS”) Offering scope of work to be accomplished by IBM. The City of Atlanta (the “City” or “Customer”) and IBM may be referred to individually as a “Party”, and collectively as the “Parties”.

1.0 Introduction

1.1 General Information

IBM will provide the City with a processor (“Environment”) dedicated to the City’s use, for hosting the City’s current mainframe applications. The Environment will consist of the processor equipment and programs set forth in this SOW. The term “Processor On Demand Services (“PODS”)” shall mean the Environment, connectivity, system programming support, and operational support that IBM agrees to provide the City as set forth in this SOW.

If IBM determines that the Processor or the IBM site has become unusable, IBM will make commercially reasonable efforts to restore PODS as soon as practical. Such efforts may include replacement, sharing of resources, and/or an alternate IBM site. Disaster Recovery Services are included as part of this SOW, and are described in Section 9.0, “Disaster Recovery Services”.

1.2 Deliverables

All deliverables and work products provided under this SOW are “Type II Materials”. “Materials” are literary works or other works of authorship (such as programs, program listings, programming tools, documentation, reports, drawings and similar works) that IBM may deliver to the City as part of the Service. The term “Materials” does not include: Licensed Programs, Machine Code or Licensed Internal Code.

“Type II Materials” are those, created during the Service performance period or otherwise (such as those that pre-exist the Service), in which IBM or third parties have all right, title, and interest (including ownership of copyright). IBM will deliver one copy of the specified Materials to the City. IBM grants the City an irrevocable, perpetual, nonexclusive, worldwide, paid-up license to use, execute, reproduce, display, perform and distribute, within its Enterprise only, copies of Type II Materials.

2.0 Term

2.1 Project Completion Criteria

IBM will have fulfilled its obligations under this Statement of Work when one of the following first occurs:

- IBM completes the IBM Responsibilities defined in this Statement of Work, pursuant to the Contract and in accordance with the Completion Criteria for deliverables described in Section 2, or
- The project end date is reached which is 24 months from the Start Date, or
- The City terminates this SOW in accordance with the Agreement prior to its full term.

3.0 Dedicated Processor Equipment

3.1 Configuration

IBM will provide the City access to the machines and equipment (“Configuration”) specified in Section C-1, “Configuration”, in Appendix C, “Machines and Equipment”, on the Availability Date. The Configuration will allow The City’s existing applications to perform the same functions in the new Configuration (the environment in the Dallas SDC) as they performed in the City’s location prior to the Availability Date.

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Comment [SMG21]: This will be addressed the “CITY OF ATLANTA - IBM SPECIAL PROCUREMENT MASTER TECHNOLOGY AGREEMENT NUMBER FC-6947” to which this SOW is an exhibit.

Deleted: IBM’s products and Services are proposed under the equivalent terms and conditions of IBM’s federal GSA Contract GS-35F-4984H (the “Agreement”), unless specifically amended in this Statement of Work (“SOW”). The Agreement is hereby incorporated herein by reference

Deleted: Any resulting order or contract based on this proposal shall not be considered a transaction under the Schedule Contract notwithstanding the incorporation by reference of Schedule Contract terms and conditions.

Comment [SMG22]: To be addressed in “CITY OF ATLANTA - IBM SPECIAL PROCUREMENT MASTER TECHNOLOGY AGREEMENT NUMBER FC-6947” -- this provision should be the same as “CITY OF ATLANTA - IBM SPECIAL PROCUREMENT MASTER TECHNOLOGY AGREEMENT NUMBER FC-6947” or be deleted.

Deleted: This SOW is effective on October 1, 2013 after both parties have signed the SOW (“Start Date”). The period from the Start Date through the End Date is referred to herein as the “Term

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IBM will make a system printer available to the Processor solely for IBM's use in system problem resolution. IBM will provide the system printer paper and other system printer supplies that are required at IBM's site in support of the Processor.

IBM will share four (4) IBM 3490e and four (4) IBM 3590e Magnetic Tape Units among Processors for use by multiple IBM customers. IBM will schedule availability for the City's requested access to such Magnetic Tape Units upon receipt of the City's request.

3.2 Equipment Changes / Substitutions

In order to change the Configuration, the City must request such change in writing. Pursuant to Section 13.1, "Changes to the SOW", if IBM agrees to the change, IBM will provide written notice to the City reflecting the change to the Configuration, the availability or effective date for the change, and any applicable increase or decrease to the charges. The City will also be responsible for additional charges if a requested change results in any increase in costs attributable to Supported Programs. In the event that the City requests a change in the Configuration pursuant to Section 13.1, "Changes to the SOW", IBM will not effect any requested change unless the City agrees in writing to pay for any applicable change in the price of this Agreement or increased costs attributable to Supported Programs, subject to first obtaining legislative approval as may be required. If a requested change is for additional capacity or resources that are readily available, the City's request will be fulfilled as soon as practicable. However, if the additional capacity or resources requested are not readily available and must be ordered, IBM will use commercially reasonable efforts to install the requested capacity or resources within two (2) weeks after the delivery of the additional capacity or resources to the IBM data center. Notwithstanding the foregoing, IBM will have no obligation to provide additional resources if the City has submitted a notice of termination, or if there are less than four (4) months remaining in the Term.

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Upon mutual agreement by the Parties, such agreement not to be unreasonably withheld, IBM may substitute other equipment, equivalent or better in capacity and function, for the specified Processor equipment. IBM will coordinate such substitution(s) with the City. Unless agreed to otherwise in writing by the City, in the event an IBM request to substitute equipment results in additional charges (including, but not limited to, incremental software-related charges), IBM will be solely responsible for such additional charges.

3.3 Availability

The Processor is available 24 hours per day, 7 days per week, except for reasonable periods of time, scheduled in advance, in order for IBM to perform (i) equipment maintenance and reconfiguration, and/or (ii) system programming activities. Scheduled maintenance times are described in Appendix B, "Service Level Agreement".

The City of Atlanta agrees to implement preventative and/or corrective actions that IBM recommends to resolve or prevent recurrence of a problem caused by the City that affects IBM's ability to provide the PODS or that affects other IBM customers. If the City cannot comply with IBM's recommendations, then the City must inform IBM. IBM must inform the City of any potential increased cost or expense, and, upon the City's written acceptance of the increased cost or expense, IBM will use commercially reasonable efforts to develop a workaround, at the City's sole cost and expense.

IBM will inform the City of any unscheduled system outages on a timely basis, and report on overall equipment availability in a monthly report.

3.4 Equipment Maintenance

IBM will maintain the equipment IBM provides that is part of the Configuration. IBM will pay for and (a) install and test new equipment parts to correct malfunctions, (b) apply and test microcode/firmware to correct malfunctions, (c) replace equipment which repeatedly fails, (d) upgrade equipment and microcode/firmware to the manufacturer's minimum supported level, and (e) receive shipments of equipment parts.

Planned maintenance activities will be performed during a scheduled maintenance window. The Maintenance Window shall be as set forth in Table B-1 in Appendix B, "Service Level Agreement". Unplanned maintenance activities will be performed outside of a scheduled maintenance window only upon the Parties mutual agreement, except for the case of a system failure that must be repaired in order to resume PODS.

3.5 City of Atlanta Responsibilities

The City of Atlanta agrees to:

1. Provide all items which may be required at the City's location in support of the PODS provided under this SOW, such as printer paper, networking equipment, supplies, and manuals; and
2. Order, install, maintain and pay for any equipment not specified above, including, but not limited to, the terminals at the City's locations (including a remote system console) that the City will use to access the Configuration and communications controllers at the City's locations that will connect the City's terminals to the Configuration.

4.0 Dedicated Processor Connectivity

4.1 IBM Responsibilities

IBM will provide:

1. The definitions within the IBM system software to make the Processor a part of the City's network;
2. Provide the City with the appropriate information to obtain the requisite communications equipment;
3. Communication lines which make the Processor available to IBM personnel at other sites. These communications lines will be used only by IBM to provide system programming and operational support from IBM sites remote from the Processor site; and
4. Connections between the City's location and the Configuration.

4.2 City of Atlanta Responsibilities

The City of Atlanta agrees to order, install, maintain, and pay for communication connections which are required for connections for the attachment of the City's terminals, including a remote systems console, at the City's location to the City's communication controller(s) specified as part of the Configuration; The City of Atlanta will be responsible for the installation and management of all the City's network connectivity internal to the City's location.

5.0 Dedicated Processor Programs

5.1 IBM Programs that IBM Provides and IBM Supports

IBM Responsibilities

IBM will order, license, install on the Processor, pay for (including recurring maintenance charges), support, and maintain the generally available IBM system and/or application-enabling programs ("IBM Programs") specified in Appendix D, "Programs", Table D.1. The charges for these IBM Programs are included in the City's recurring monthly charge specified in Appendix A, "Fee Schedule". When IBM has loaded these IBM Programs onto the Processor, the City may access and use such IBM Programs. However, except as expressly set forth in this SOW, the City obtains no right, title, or interest in or to these IBM Programs. The City may not download or otherwise copy, reverse assemble, reverse compile, or otherwise translate any of these IBM Programs, except that the City may copy such IBM Programs for archival and back-up purposes. At the expiration or termination of this SOW, the City will be responsible for any license fees associated with the IBM Programs should the City go back in-house on a processor

platform requiring any such IBM Programs. IBM will not maintain any IBM Program not specified in Table D.1.

Pursuant to Section 13.1, "Changes to the SOW", the City of Atlanta may request in writing for IBM to install on the Processor (a) any IBM Program not specified in Table D.1, or (b) a new version of an IBM Program specified in Table D.1. IBM will inform the City of the charges for the additional IBM Program or the new version, if any. The charge will be equal to or less than the sum of: (a) IBM's generally available price for the IBM Program, and (b) any installation charge, as applicable. Upon the City's written request and at a mutually agreed time, IBM will order, license, and install the IBM Program or new version requested by the City.

Upon the City's written request IBM will remove from the Processor any IBM Program specified in Table D.1, provided the City is the sole user of such IBM Program.

Based on the City's reported problems and at a mutually agreed time, IBM will install program update tapes, program modifications, and "no-charge" program enhancements to the IBM Programs specified in Table D.1.

The City and IBM agree that it is in both Parties best interest to maintain currency on software products. The City agrees that if an IBM Program is no longer supported by IBM, and the Program is no longer required by the City, upon mutual agreement by the Parties, IBM will remove any unsupported IBM Program from the Processor. If the City requires continued usage and support of such products, the City agrees that any Service Levels associated with that specific product are no longer applicable. IBM will provide such product support on a commercially reasonable basis via the Change Control Process.

City of Atlanta Responsibilities

The City agrees to provide its own copies of IBM Program documentation.

5.2 Non-IBM Programs that IBM Licenses and IBM Supports

IBM will order, license, install on the Processor, pay for (including recurring maintenance charges), support, and maintain the non-IBM Programs specified in Appendix D, "Programs", Table D.2. The charges for these non-IBM Programs are included in the City's recurring monthly charge specified in Appendix A, "Fee Schedule". When IBM has loaded these non-IBM Programs onto the Processor, the City may access and use these non-IBM Programs. However, except as expressly set forth in this SOW, the City shall have no right, title, or interest in or to these non-IBM Programs. The City may not download or otherwise copy, reverse assemble, reverse compile, or otherwise translate any of these non-IBM Programs, in whole or in part. The City may not sublicense or assign any rights to use these non-IBM Programs that IBM licenses, including assignment by operation of law.

Pursuant to Section 13.1, "Changes to the SOW", the City may request in writing for IBM to install on the Processor (a) a new version of a non-IBM Program, or (b) a new non-IBM Program. If the new non-IBM Program or version is available to IBM, IBM will inform the City of the charges, if applicable. Upon the City's approval of any applicable charges IBM will order, license, and install the requested new non-IBM Program or version on the Processor. Upon the City's written request, IBM will remove from the Processor any non-IBM Program specified in Table D.2.

Based on the City's reported problems and at a mutually agreed time, IBM will install program update tapes, program modifications, and "no charge" program enhancements to the non-IBM Programs specified in Table D.2 which have been provided to IBM by the vendor.

5.3 Programs that the City of Atlanta Owns/Licenses and that IBM Supports

The City of Atlanta will order, license, and pay for the Programs specified in Appendix D, "Programs", Table D.3, as of the Start Date. Further, the City will be responsible for the payment of any vendor fees (including, but not limited to, transfer fees, maintenance fees, etc.) associated with the use of such Programs in the Environment. The City also agrees to pay any additional software-related fees incurred as a result of changes to the Configuration requested by the City. IBM will install and support the Programs listed in Table D.3 as of the Start Date. After the Start Date, the City may request in writing, pursuant to Section 13.1, "Changes to the SOW", for IBM to install additional Programs that the City owns or licenses. For Programs added to Table D.3 after the Start Date and new versions of any such

Programs, IBM will notify the City of Atlanta of the installation charge and/or additional monthly charge, if any, for installing and supporting such Programs or a new version of such Programs on the Processor, if any. Upon the City's written approval of any applicable charges, the City will provide the load tapes to IBM, and IBM will install such Programs or a new version of such Programs at a mutually agreed time. Upon the City's written request, IBM will remove from the Processor any Program specified in Table D.3. Based on the City's reported problems and at a mutually agreed time, IBM will install program update tapes, program modifications, and "no charge" program enhancements to the Programs specified in Table D.3 which have been provided to IBM by the City or the applicable vendor.

For any Programs specified in Table D.3 that the City of Atlanta owns (including, but not limited to, the City's application Programs), the City agrees to develop, test, customize, and direct IBM on the requirements to maintain these Programs on the Processor.

For Programs, in addition to those specified in Table D.3, that the City licenses (including, but not limited to, the City's applications), the City agrees to:

1. Perform any testing or customization required for the City's use of the Program.
2. Notify IBM of any third party who would not grant permission to allow IBM to access their Program or confidential or proprietary information.
3. For any Program of which IBM is so advised in accordance with Item 2 above, or in the event of the termination of the City's license by the licensor, excuse any of IBM's unexecuted obligations as they relate to the unlicensed Program under this SOW and process any increased costs caused by said license termination according to the City's Procurement Code.
4. Prior to the installation of any Computer Associates International, Inc. ("CA") Programs, the City will provide IBM with a copy of the CA program license and written notice identifying the CA software and proposed installation date.

For Programs that the City licenses (including, but not limited to, the City's applications) and IBM supports, prior to performing work involving programs which IBM supports, IBM agrees to:

1. Provide the City with a list of such third-party provided software which IBM will need to access to complete this SOW. For each third party licensor IBM will provide the City with a description of the nature of the work which will involve the licensed software.
2. Upon the City's notice to IBM of intent to install CA Programs, IBM shall inform the City if IBM will need the City to seek permission for IBM to access licensed, proprietary or confidential information of the CA Programs to be installed.

5.4 Programs that the City of Atlanta Owns/Licenses and the City Supports

For any Program that IBM does not support and that the City of Atlanta owns or licenses, the City may request in writing, pursuant to Section 13.1, "Changes to the SOW", for IBM to install such Program on the Processor. IBM will notify the City of the installation charge for loading such Program or a new version of such Program on the Processor, if any. Upon the City's written approval of any applicable installation charge, the City will provide the load tapes to IBM, and IBM will install such Program or a new version of such Program at a mutually agreed time.

For Programs the City owns (including, but not limited to, the City's applications), the City agrees to develop, test, customize, and maintain these Programs on the Processor.

For Programs that the City licenses (including, but not limited to, application programs), the City agrees to:

1. Test, customize, and maintain the Program;
2. Notify IBM of any third party who would not grant permission to allow IBM to access their Program or confidential or proprietary information.
3. For any Program, in the event of the termination of the City's license by the licensor, excuse IBM's unexecuted obligations under this SOW and process any increased costs caused by said license termination according to the City's Procurement Code; and
4. Prior to IBM's installation of any Computer Associates International, Inc. ("CA") Programs, the City will provide IBM with a copy of the CA program license and written notice identifying the CA software and proposed installation date.

Table D.4 in Appendix D, "Programs", is a non-exclusive list of the Programs that the City owns or licenses, and that the City is responsible for supporting.

For Programs that the City licenses and supports (including, but not limited to, the City's applications), prior to performing work involving programs which IBM does not support, IBM agrees to:

1. Provide the City with a list of such third-party provided software which IBM will need to access to complete this SOW. For each third party licensor IBM will provide the City with a description of the nature of the work which will involve the licensed software.
2. Upon the City's notice to IBM of intent to install CA Programs, IBM shall inform the City if IBM will need the City to seek permission for IBM to access licensed, proprietary or confidential information of the CA Programs to be installed.

6.0 Dedicated Processor System Programming Support

Twenty-four hours per day, seven days per week the City of Atlanta may, via an e-mail address IBM specifies, report problems with the IBM Programs and non-IBM Programs specified in Tables D.1, D.2, and D.3 in Appendix D, "Programs", (collectively, called "Supported Programs"). The City may use the e-mail address to communicate other system programming service requests to IBM, or the City may contact IBM's system programming personnel between 8 A.M. to 6 P.M. Central Time on normal IBM work days, using a toll-free telephone number IBM provides for that purpose. In critical situations, the City may contact IBM's system programming personnel via a toll-free number IBM provides to the City for that purpose. The toll-free number can be used 24 hours per day, seven days per week.

Planned system programming activities that may adversely impact the PODS will be performed during a scheduled maintenance window. Unplanned system programming activities that may adversely impact the PODS will be performed outside of a scheduled maintenance window only upon the Parties mutual agreement, except for the case of a problem that must be addressed in order to resume PODS.

6.1 IBM Responsibilities

IBM agrees to:

1. Assign an account system programmer to the City's account, who will act as the City's initial contact point for any system programming support requirements. The account system programmer will enlist other support as required, depending on the complexity of the situation, or if the number of active situations requires additional resources to resolve them in a timely manner.
2. Respond to problems reported by the City based on the severity that the City assigns to the problems.
3. Based on the problems the City reports to IBM or problems IBM detects while performing system programming support, identify the Program(s) with the problem. If the problem is in a Supported Program, IBM will contact the vendor, obtain a fix from the vendor, install and test the fix, and inform the City when the problem is resolved. If a Supported Program is no longer supported by the vendor or the City does not have a maintenance agreement in effect for a Program that the City supports, IBM shall not be responsible for resolving the problem. If IBM determines that a problem is the result of modification of a Supported Program or is in a Program that the City owns/licenses and IBM does not support, IBM will return that problem report to the City for resolution.
4. Install new products, as appropriate, in accordance with Section 7.0. "Dedicated Processor System Programming Support".
5. Based on the City's direction, perform subsystem definition tasks and set subsystem parameters.
6. Manage DASD, including full volume restores, initializations, installs, analyses, inspections and/or file movement from one volume to another, based on problems that the City reports and other direction that the City may give.

7. Monitor system datasets, system and subsystem performance.
8. Perform system and software product support, customization, administration, and address user usage questions for Programs as specified in Appendix D, "Programs".
9. Provide support and planning assistance for the disaster recovery test, and provide system support in the event of a Disaster in accordance with the terms and conditions in Appendix G (Federal Customer Agreement for IBM Multi-vendor Information Technology).

6.2 City of Atlanta Responsibilities

The City agrees to:

1. Provide input to IBM, so IBM can perform subsystem definition tasks and set subsystem parameters.
2. Perform initial and ongoing application Program development tasks, such as compilations and assemblies and testing activities.
3. Customize any Programs and screens, such as TSO ISPF screens, to meet the City's application requirements.
4. Resolve any problems the City reports to IBM which are the result of the City's modification of a Supported Program or which are in the City's application(s).
5. Perform system and software product support, customization, administration, and address user usage questions for Programs as specified in Appendix D, "Programs".
6. Perform all database administrator activities including, but not limited to:
 - a. Allocating and creating the City's database tables;
 - b. Creating archival and recovery job control language for the City's databases; and
 - c. Planning and setting up reorganization jobs for the City's databases.

7.0 Dedicated Processor Operational Support

IBM's operational support is available 24 hours per day, seven days per week.

7.1 IBM Responsibilities

IBM agrees to:

1. Assign a Delivery Project Executive (DPE) to act as a focal point for customer service issues related to the PODS that IBM provides to the City under this SOW. The DPE's responsibilities will include the following:
 - a. Provide project management for IBM's tasks and responsibilities during the City's migration; and
 - b. Conduct regular meetings with the City, on a mutually agreed upon schedule, to discuss unresolved problems and upcoming events that may affect the PODS.
2. Document the operations procedures based on the City's input and guidance (called "Operations Guide"). The Operations Guide is considered a Type II Material, as defined in the Agreement.
3. Initiate and operate the City's production schedule using the production scheduling application specified in Appendix D, "Programs", and implement changes to the City's production schedule at the City's request. IBM will run up to a specified number of production batch jobs per month at no additional charges (called "Production Batch Jobs Baseline"). The Production Batch Jobs Baseline effective on the Availability Date is eight thousand (8,000) production batch jobs per month. Upon the City's request, IBM will run additional production batch jobs during a month for an additional charge. However, in no event will IBM run additional production batch jobs prior to advising the City of the additional charge in writing and obtaining the City's written acceptance of the additional charge.
4. Implement changes to the City's production schedule at the City's request. IBM will implement up to a specified number of scheduling changes (called "Scheduling Changes Baseline"). The Scheduling Changes Baseline effective on the Availability Date is fifty (50) scheduling changes per month. Upon the City's request, IBM will implement additional scheduling changes for an

additional charge. However, in no event will IBM implement additional scheduling changes prior to advising the City of the additional charge in writing and obtaining the City's written acceptance of the additional charge.

5. Monitor the system console and, pursuant to the City's requests, execute console commands that can be performed only at the Processor, such as power on/off and system restart.
6. Notify the City of job failures and production scheduling problems, and (a) refer job failures to either the City's or IBM's appropriate support personnel for resolution (with the City's assistance, if required), or (b) based on the City's input and IBM's operations procedures, resolve production scheduling problems and restart and/or recover jobs.
7. Initiate weekly backup dumps to tape cartridge of system DASD packs (IPL pack and alternate system resident pack), then maintain the tapes on-site and send the tapes to an off-site storage facility according to the City's instructions. IBM will provide for such storage at an additional charge, or the City may make arrangements with a tape storage vendor of the City's choice, and IBM will act as the City's agent to coordinate the transfer of tapes to the City's tape vendor according to the City's instructions, and the City will arrange to be billed directly for such Services, or accept responsibility for any charges and fees presented to IBM by the City's tape storage vendor for those Services.
8. Maintain a library of the City's tape cartridges in a tape rack. IBM will provide a specified number of tape slots at no additional charge (called "Tape Slot Baseline"). The Tape Slot Baseline effective beginning on the Availability Date is an average of seven thousand five hundred (7,500) tape slots. Upon the City's request, additional tape slots will be provided at an additional charge. However, in no event will IBM provide the City with additional tape slots prior to advising the City of the additional charge in writing and obtaining the City's written acceptance of the additional charge.
9. Manually mount tapes upon the City's request. IBM will provide a specified amount of manual tape mounts per month at no additional charge (called "Tape Mount Baseline"). The Tape Mount Baseline effective beginning on the Availability Date is an average of twenty (20) manual tape mounts per month. Upon the City's request, additional manual tape mounts will be provided at an additional charge. However, in no event will IBM provide additional manual tape mounts prior to advising the City of the additional charge in writing and obtaining the City's written acceptance of the additional charge. In addition, IBM will correct tape malfunctions.
10. Provide Automated and Virtual mount tapes upon the City's request. IBM will provide a specified amount of Automated and Virtual tape mounts per month at no additional charge (called "Tape Mount Baseline"). The Tape Mount Baseline effective beginning on the Availability Date is an average of eight hundred and fifty (850) Automated tape mounts per month and three thousand eight hundred (3,800) Virtual tape mounts per month. Upon the City's request, additional manual tape mounts will be provided at an additional charge. However, in no event will IBM provide additional Automated or Virtual tape mounts prior to advising the City of the additional charge in writing and obtaining the City's written acceptance of the additional charge. In addition, IBM will correct tape malfunctions.
11. Provide change management for Supported Programs.
12. Report system and application malfunctions to the City's personnel per the IBM Operations Guide.
13. Transborder Data Flows. IBM will not transfer any City Data across a country border unless IBM reasonably considers such transfer appropriate or useful for IBM's performance of the Services and IBM obtains the City's prior written consent

7.2 City of Atlanta Responsibilities

The City agrees to:

1. Be responsible for the results the City obtains from IBM running the City's application(s).
2. Provide input to IBM in order for IBM to prepare its operations procedures, including, but not limited to, the City's production processing schedules and restart and recovery instructions.

3. Determine that there is sufficient time to complete all production activities, including backup, in the time allotted for such activities.
4. Communicate operational service requests to IBM via telephone or e-mail, as requested by IBM.
5. Resolve any application usage questions or malfunctions for applications not supported by IBM.
6. Provide for all operation, monitoring, and support of the City's devices directly or remotely attached to the City's location.
7. Initiate archiving and journaling activities and initiate recovery and restoration procedures for any data files not stored on system DASD packs (for example, user data files and data bases).
8. In the event the City arranges for off-site tape storage with a third party, be billed directly for such services.
9. Modify their applications to no longer require Manual Control Card updating or Application Manual Balancing. These tasks are out of scope for this SOW.
10. Provide change management for the City's application(s).

7.3 Deliverables

The following Deliverables Table applies to the Dedicated Processor Equipment Section:

Deliverables Table 8-1

Deliverable	Acceptance Mechanism	Completion Criteria
Operations Guide	Letter from the City Project Manager indicating receipt of the Deliverable	This task is complete when the Operations Guide is delivered to the City Project Manager.

8.0 Disaster Recovery Services

8.1 Introduction

Disaster Recovery Services for the City's environment at the Dallas SDC will be provided by IBM's Business Continuity and Recovery Services (BCRS) facility located in Boulder, Colorado. A disaster recovery plan will be prepared and a hot site will be made available for full recovery from tape backups. As part of this SOW, IBM will assume responsibility for providing Disaster Recovery Services for the City's systems. The recovery resources include the mainframe, storage units and tape units. If additional hardware resources are required to support disaster recovery beyond the configurations identified in the agreement, the City will have the option to increase their disaster recovery service subscription.

The Primary Recovery Site for Testing is the Boulder Recovery Center. In the event the City or IBM declares a disaster, IBM/BCRS will provide the recovery at the Boulder Recovery Center. IBM retains the right to provide recovery at another IBM BCRS facility, should the need arise.

Off-site vital records for the system in Dallas will be used to recover at the recovery site. The vital records will consist of weekly full volume backup and daily incremental backup tapes. These tapes are stored off-site at the Iron Mountain facility.

Disaster Recovery Services continue in place on contract signing. IBM will develop or modify the Disaster Recovery Plan within 90 days after contract signing. It is IBM's intent to provide Disaster Recovery Services for critical applications at a level of performance which will allow the City to continue those covered functions which are vital to the continuation of business operations during a declared disaster. Service Levels are not applicable to operations during Disaster Recovery.

IBM will assign a Disaster Recovery Coordinator to support the City who will act as your primary interface for Disaster Recovery and will be responsible for the following activities:

1. Build and document the Disaster Recovery Plan.
2. Monitor so that your plans remain current.
3. Provide overall project management in the event of a disaster or scheduled test.
4. Schedule and perform tests based on contract requirements.

5. IBM will assume the responsibility for the development, maintenance, documentation and testing of the City's disaster recovery plan based on the coverage levels defined in this SOW.

In addition, IBM will:

1. Conduct one Disaster Recovery Test during the two-year contract period
2. Provide procedures for moving media from off-site storage facility to the recovery center.
3. Coordinate hot-site resources for system recovery.
4. Begin alternate site recovery of covered systems immediately after declaration of a disaster.

8.2 Disaster Recovery Plans and Documentation

The Disaster Recovery Plan will contain:

1. The City's disaster declaration process.
2. A description of the critical services and functions, including a list of the Critical Applications.
3. A review and update schedule for the Disaster Recovery Plan on an annual basis or as warranted by business and/or technical changes so that the plan remains current.
4. A contact list of IBM and City personnel on the recovery management team, who will be responsible for coordinating recovery planning activities.
5. The hardware and software configurations used for disaster recovery.
6. Identification of Disaster Recovery support team members.
7. A plan for maintaining appropriate backups.
8. The appropriate disaster recovery policies and procedures to be followed at the recovery center.
9. Names of individuals who are authorized by each party to declare a disaster.

8.3 Disaster Recovery Testing

IBM will:

1. Include 48 hours of test time once during the contract period in this SOW.
2. Schedule test at dates and times acceptable to the City and IBM.
3. Perform tests at the applicable Recovery Center.
4. Provide the City with a detailed written status report within 30 business days following the completion of the test, and provide the City with the proposed Disaster Recovery Plan modifications to correct any deficiencies.
5. Provide the location and schedule for off-site storage of tape backups if required.
6. Perform backup and restore procedures for covered systems.
7. Keep current recovery system configurations.

8.4 Disaster Recovery Declaration

In the event of a disaster, IBM will take immediate action in notifying the applicable BCRS Recovery Center. Upon notification from the City of a disaster declaration, IBM BCRS will begin preparing the Recovery Site for immediate use upon the arrival of Disaster Recovery teams.

In the event of a disaster declaration, IBM will provide Disaster Recovery Services in accordance with the City's approved Disaster Recovery Plan. IBM will assume responsibility for operating the equipment and providing Services at the recovery facility. IBM disaster declaration responsibilities will include the following:

1. Activate the Disaster Recovery plan and make disaster declaration with the applicable BCRS Recovery Center.
2. Provide a single point-of-contact to coordinate with the City's management or your designee.
3. Maintain communications with the City's management and provide updates as required.
4. Contact the Disaster Recovery Team members.
5. Travel for the applicable IBM personnel to the Recovery Site.
6. Begin the recovery process immediately upon arrival at the Recovery Site.

IBM disaster recovery responsibilities shall include acquisition and provision of recovery site facilities and equipment capable of supporting and operating the City's covered systems (as specified in the IBM Disaster Recovery Plan or as modified over the term of this Agreement). A primary recovery site is a fully equipped data center environment, which provides one or more processors and the necessary peripheral equipment to replicate the City's covered systems. The recovery center contains all physical services and utilities (e.g., air conditioning, chilled water, conditioned power, backup power, raised floors and communications facilities) necessary to support the City's environment and adequate office space for technical support teams to conduct normal recovery operations.

8.5 Deliverables

The following Deliverables Table applies to the Disaster Recovery Section:

Deliverables Table 9-1

Deliverable	Acceptance Mechanism	Completion Criteria
Disaster Recovery Plan	Letter from the City Project Manager indicating receipt of the Deliverable	This task is complete when the Operations Guide is delivered to the City Project Manager.
Disaster Recovery Test Results	Letter from the City Project Manager indicating receipt of the Deliverable	This task is complete when the Operations Guide is delivered to the City Project Manager.

9.0 Monthly Reports

Beginning in the fourth calendar month following the Availability Date, by the fifteenth day of each month IBM will provide the City a report containing capacity and performance parameters that the City requests IBM to collect. Such reports will be considered Type II Materials, as defined in the Agreement.

In connection with the monthly reports, the City agrees to:

1. Within 30 days of the Start Date, provide IBM with the capacity and performance parameters to be included in its monthly reports, and the frequency with which IBM is to collect them. IBM must be able to capture such parameters using the Processor equipment specified in Appendix C, "Machines and Equipment", and the Supported Programs specified in Appendix D, "Programs".
2. Notify IBM when the City detects (a) capacity or performance problems, or (b) unacceptable trends based on the City's review of the reports.
3. Work cooperatively with IBM to jointly develop alternative solutions for any capacity or performance problems that the City identifies to IBM, and, based on such alternatives, choose a solution to resolve such problem(s).

9.1 Deliverables

The following Deliverables Table applies to the Monthly Reports Section:

Deliverables Table 9-1

Deliverable	Acceptance Mechanism	Completion Criteria
Monthly Report Card	Letter from the City Project Manager indicating receipt and approval of the Deliverable	This task is complete when the City approves the first Monthly Report Card

10.0 Network Services

10.1 Introduction

General Assumptions

1. Demarcation extension and cross connect at Dallas
2. Floor Space and equipment at Dallas
3. Protocol = TCP/IP
4. NAT is required and included in the solution
5. No special security requirement
6. POP diversity, C/O diversity where possible
7. Network topology is 10/100 Mbps Ethernet
8. A 56k modem is added to every router to allow for emergency out-of-band management.

A network diagram is included in Appendix H, and represents a conceptual design of the network solution. Applicable charges for the Network Services are specified in Appendix A, "Fee Schedule". IBM agrees to review the circuit costs associated with this section on an annual basis. Should the cost of the circuit decrease during any calendar year by more than 5%, IBM agrees to re-price the Network Services (via Section 13.1, "Changes to the SOW") to the City of Atlanta to reflect the cost savings.

10.2 IBM Responsibilities

With regard to the connectivity between the City's premises and the Dallas SDC, IBM will provide the following:

1. Five (5) T1 Frame Relay local access
 - a. Two for the Dallas SDC
 - b. Two for the City of Atlanta
 - c. One for the Boulder Recovery Center
2. Two (2) 768 Kbps CIR PVC's for connection between the Dallas SDC and the City of Atlanta
3. One (1) 768 Kbps CIR PVC for the connection between the Boulder Recovery Center and the City of Atlanta
4. Five (5) Cisco 2621 routers, (to be upgraded)
 - a. Two for the Dallas SDC
 - b. Two for the City of Atlanta
 - c. One for the Boulder Recovery Center
5. Three (3) POTS lines for out of band management
 - a. Two for the Dallas SDC
 - b. One for the Boulder Recovery Center
6. Replace two Cisco 2950-12 LAN switches (production, cold standby) with two Cisco 2960-24 in Dallas. 100Mb Base-T will continue to be used. Have redundant links from the two switches to the OSAs and implement VIPA

10.3 City of Atlanta Responsibilities

With regard to the connectivity between the City's premises and the Dallas SDC, The City will provide the following:

1. Two (2) POTS lines for out of band management

11.0 Termination

11.1 Termination for Cause

Either Party may terminate this SOW if the other Party fails to cure a material breach within 15 days of the notice of breach, of its obligations under this SOW, provided that the other Party was given written notice of such breach. In the event that the breach cannot be cured within 15 days, the party who has received notice of the breach must have begun execution of work in a good faith effort to cure the breach within 15 days. In the event that IBM must terminate this SOW for a material breach, the City will pay for charges for work performed and applicable wind down charges defined as any monthly charge for Services to be rendered through the effective date of the termination and the actual, reasonable costs to IBM to transition the PODS to another provider. IBM will invoice the Customer for the actual wind down charges incurred. "Material breach" as used in this paragraph shall not include any circumstances beyond the City's control including, but not limited to, a court order to cease performance under this SOW.

11.2 Termination for Convenience

The City may terminate this SOW upon three (3) months prior written notice to the other party. The City will pay for wind down charges, as defined in Section 11.1, in the event that the City terminates for convenience. IBM will work with the City, if required, during that three (3) month period to develop and implement a transition plan for discontinuing IBM's support of the environment. Further, IBM will take commercially reasonable action to recoup the maximum residual value of any equipment or software

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which IBM purchased in furtherance of this SOW. The City shall be responsible only for the balance of the cost of the equipment or software after deducting the recouped residual value. IBM will invoice the City for the actual wind down charges incurred.

11.3 Non-Appropriation

If the City does not appropriate funds for the next contract year to continue this Agreement ("Non-appropriation"), then the City may terminate this Agreement at the end of the then-current contract year, and the City will not, in the sole event of Non-appropriation, be obligated to make payments beyond the end of the then-current contract year. The City shall make reasonable efforts to notify IBM as soon as possible in the event of such Non-appropriation.

11.4 Termination Assistance

Prior to the expiration or termination of this SOW, upon the City's request, IBM will assist in the orderly transition of the PODS provided under this SOW to the City, or to a third party designated by the City. IBM will provide this assistance unless the termination is due to a material breach by The City of this SOW or the Agreement (such as a failure to pay amounts due). IBM will notify the City if any charges in addition to the wind down charges specified above are associated with such assistance, and in such case will provide the assistance only upon the City's approval of the charges pursuant to Appendix A, "Fee Schedule".

12.0 Security

12.1 Introduction

During the migration period, IBM will work with the City to develop a detailed document (called "Information Security Controls Document") that will define the mutually agreed security controls that IBM will implement for the City. Such document will include, at a minimum, the security responsibilities listed below.

12.2 Security Management

IBM Responsibilities

1. Provide an IBM Focal Point with responsibility for day-to-day security management;
2. Develop the Information Security Controls Document, during the migration period, with the City's assistance;
3. Review security policies and procedures for effectiveness and recommend improvements, in conjunction with the City;
4. Maintain and update the Information Security Controls Document as IBM deems necessary.
5. Provide support for the annual City initiated and led SSAE16 audit.

City of Atlanta Responsibilities

1. Provide a Customer Focal Point with responsibility for day-to-day security management;
2. Provide all Customer end user's system access authorization requirements, during the migration period and advise IBM of any subsequent changes;
3. Assist IBM in developing the Information Security Controls Document during the migration period;
4. Communicate the security procedures to end users (for example, login procedures, password requirements, data and equipment security procedures).
5. The City acknowledges that IBM offers numerous security options, and it is the City's responsibility to select the set of security options that it determines meet the City's needs. IBM will implement the security options specified in this Statement of Work (SOW).
6. The City acknowledges that IBM does not control the transfer of data over telecommunications facilities, including the Internet. IBM does not warrant secure operation of the Services or that it

will be able to prevent third party disruptions of the IBM Services provided under this Statement of Work (SOW).

- 7. The City agrees that IBM shall have no liability for any provision of security-related services or advice that IBM may voluntarily provide outside the scope of Services specified herein.

12.3 Physical Security

IBM Responsibilities

- 1. Provide physical security controls at IBM facilities that restrict access to data processing areas at IBM locations to authorized personnel only;
- 2. Conduct periodic reviews of the data processing areas at IBM including reviews of access logs for unusual occurrences and perform follow-up activities in accordance with the procedures specified in the Information Security Controls Document;
- 3. Provide secure storage for removable storage media under IBM's control.

12.4 Logical Access Control

IBM Responsibilities

- 1. Promptly inform the City of any security issues as IBM becomes aware and recommend possible remedial action;
- 2. Schedule and notify the City through the change management process of security or integrity software fixes that must be applied to the systems for which IBM has security responsibility.

City of Atlanta Responsibilities

- 1. Provide systems level security administration;
- 2. Perform End User Security Administration (creating new passwords, password resets, etc.);
- 3. During the migration period, provide IBM with necessary user IDs, as well as access to the resources required to perform their migration activities;
- 4. Promptly acknowledge receipt of security exposures notified to the City by IBM and inform IBM of the City's acceptance or rejection of IBM's recommended remedial action or other remedial action the City implements; and
- 5. Take appropriate corrective action to remedy security violations notified to the City by IBM.

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12.5 Deliverables

Deliverables Table 13-1

Deliverable	Acceptance Mechanism	Completion Criteria
Information Security Controls Document	Letter from the City Project Manager indicating receipt and approval of the Deliverable	This task is complete when the City approves the Information Security Controls Document

13.0 Additional Terms and Conditions

13.1 Changes to the SOW

Either Party may request a change to this SOW. Either Party, if requested by the other Party, will submit the request in writing. IBM may charge the City for the effort required to analyze a requested change; however, no such charge will apply without the City's prior written authorization. Any change to the terms of the SOW must be signed by both Parties to become effective. Additional legislative approval may be required before the City agrees to a change to this SOW. For changes to the Environment or the PODS supporting the Environment, the Parties will each designate a focal point (called a "Change Representative") that together will be responsible for initiating, reviewing, and approving such changes. A Project Change Request ("PCR") prepared by IBM and provided to the City's designated Change

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Representative will be the vehicle for documenting and accepting such changes. The PCR will include: (a) a description of the change, (b) a projected implementation date of the change, (c) the charges, if any, for the change. This SOW is amended by a PCR if the PCR is accepted and signed unaltered by both Parties. In addition, this SOW will be considered amended by changes to Supported Programs (including changes to version/release levels) that are documented as part of the change management process specified in the Operations Guide.

13.2 Order of Precedence as to Specific Issues

Notwithstanding the GSA Terms and Conditions applicable to this agreement, the following terms shall take precedence as follows:

- A. Provisions relating to Termination of this Agreement shall be governed by the provisions of Sections 11.0 in this SOW.
- B. In no event shall any modification of the contract price be effected or assessed to the City unless and until the expenditure has been properly authorized under the City of Atlanta's Procurement Code.
- C. Data Retention, Dissemination And Disclosure
IBM and its assignees are prohibited from storing or retaining, in any medium, any of the City's data, programs or processes, which may be accessed on or through equipment purchased or returned to IBM pursuant to this Agreement. Furthermore, except as required by law, IBM shall not use, sell, distribute, publish, disclose or otherwise reveal any of the City's data, programs or processes which may be accessed through or which the City may store on equipment purchased or returned hereunder. This provision shall survive the expiration or termination of the SOW, Terms and Conditions and modifications to this Agreement.
- D. IBM does not operate as a provider of services regulated by the Federal Communications Commission (FCC) or state regulatory authorities (State Regulators), and does not intend to provide any services which are regulated by the FCC or State Regulators. If the FCC or any State Regulator imposes regulatory requirements or obligations on any Services provided by IBM hereunder, IBM may change the way in which such Services are provided to the City to avoid the application of such requirements or obligations to IBM (e.g., by acting as the City's agent for acquiring such Services from a third party common carrier).
- E. Choice of Law
This Contract shall be governed by the laws of the State of Georgia and the parties agree that venue shall be had in the State courts of Fulton County and the United States District Court for the Northern District of Georgia.

13.3 Notices

Except as otherwise specified in this SOW, all notices, requests, approvals, consents and other communications required or permitted under this SOW (except for routine operational communications) will be in writing and will be deemed duly given (i) when delivered in person; (ii) when delivered by courier with a reliable system for tracking delivery; or (3) when delivered by United States mail, registered or certified mail, return receipt requested, postage prepaid, and addressed as follows:

For termination, breach, or default -
In the case of the City of Atlanta:

Mr. Michael Dogan
Interim Commissioner of Dept. of Information Technology
and CIO
City of Atlanta
55 Trinity Avenue SW
Suite G700-A
Atlanta, GA 30303

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In the case of IBM: Ms. Myra Lincoln
IBM Corporation
325 James S McDonnell Blvd
Hazelwood, MO 63042-2513

with copies to: Mr. Michael Ross
IBM Corporation
800 N. Frederick Avenue
Gaithersburg, MD 20879

Deleted: Sam Grese

For all other notices -
In the case of the City of Atlanta: Mr. Michael Dogan
Interim Chief Information Officer
City of Atlanta
55 Trinity Avenue SW
Suite G700-A
Atlanta, GA 30303

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In the case of IBM: Mr. Michael Ross
IBM Corporation
800 N. Frederick Avenue
Gaithersburg, MD 20879

Deleted: Sam Grese

IBM or the City of Atlanta may from time to time change its address or designee for notification purposes by giving the other prior written notice of the new address or designee and the date upon which it will become effective.

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The Parties acknowledge that they have read this SOW, understand it, and agree to be bound by its terms and conditions. Further, the Parties agree that the complete and exclusive statement of the agreement between the Parties relating to the Services described herein consists of 1) this Statement of Work and its Appendices, 2) Contract Summary and its Exhibits, and Appendices, and 3) the equivalent terms and conditions of the IBM GSA IT Schedule Contract, GS-35F-4984H. This statement of the agreement supersedes any prior oral or written agreements, understandings, or communications with respect to the subject matter of this SOW.¶
¶
OWNER: [...]

Appendix A – Fee Schedule

General

The City of Atlanta is financially responsible for all costs and expenses associated with its responsibilities under this SOW. The charges specified below, and all other charges payable by the City under this SOW do not include such costs and expenses. All recurring monthly charges are based on calendar months, will be prorated for any partial month that Services are provided (based on the actual number of days in such month) unless expressly stated otherwise, and will be billed on a monthly basis in advance of the PODS being provided.

Charges

The City agrees to pay the charges specified in this Appendix for the PODS provided to the City under this SOW. The parties acknowledge that the City is a tax-exempt entity. To the extent applicable, all charges are inclusive of any and all taxes and fees. These charges are based upon the hardware and software configurations specified in Appendices C and D. If these configurations change, the charges and/or other terms and conditions may change through invocation of the procedure described in Section 13.1, "Changes to the SOW". The charges for the PODS are as follows:

Monthly Recurring Fees

Effective on the Availability Date, the City will make a recurring monthly charge payment of one hundred sixty-nine thousand, eight-hundred and ten dollars (~~\$169,810.00~~) for the balance of the Term. The Term is a twenty-four (24) month Extension with no changes in scope or equipment. The price over the entire 24-month contract term is ~~\$4,075,440.00~~ or ~~\$2,037,720.00~~ per contract year. (New Contract years are not defined in Statements of Work, Scopes of Work, Price Proposals, and/or Quotes. The Initial Term dates will be specified in the final City of Atlanta - IBM Special Procurement Master Technology Agreement Number FC-6947, upon receipt of City Council approval, and upon agreement between both Parties.

Upgrade Charges for Fiscal Year 2014 and Fiscal Year 2015

In addition, effective on the Availability Date, the City will make two (2) payments towards the charge of \$407,728.00 for the hardware and software upgrades: \$203,864.00 during Fiscal Year 2014 and \$203,864.00 during Fiscal Year 2015.

Total contract price including upgrade charges and monthly recurring fees is \$4,075,440.00.

Payment

Payment, of the full invoice amount, shall be made within thirty (30) days upon receipt of invoice. If the City fails to pay all delinquent principal and late payment charges within sixty (60) days of the imposition of the late payment charges, IBM reserves the right to withhold future Services in addition to any other rights or remedies provided for by law or under this agreement.

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Appendix B – Service Level Agreement

Introduction

An effective Service Level Agreement (“SLA”) reflects the City of Atlanta’s requirements that impact actual operation of the City’s business. It also reflects the service delivery organization’s requirements for information on problems and requests for changes to the system. The agreement helps each organization set expectations and understand measurements. Annual reviews are conducted and SLAs are renegotiated as appropriate to update the document.

This SLA documents our mutual objectives and guides our strategies to measure, control, report, and manage your systems. As the primary instrument for administering ongoing support for your systems environment, the SLA addresses:

- Data Accessibility
- Network Availability
- Transaction Response Time
- Data File Restoration
- Backups
- Production Batch Schedule
- Demand Batch Schedule
- Test Batch Schedule
- Disaster Recovery
- Accountability

This Appendix describes IBM’s duties, obligations and responsibilities related to the Service Levels for defined Services and applicable City of Atlanta responsibilities. With regard to all Service Levels, the following conditions apply:

1. Outages which are directly traceable to tasks for which the City has responsibility (per the matrix defined in Appendix F) are excluded from measurement of IBM’s SLAs.
2. Response time degradation which is directly traceable to activities for which the City has responsibility (per the matrix defined in Appendix F) are excluded from measurement of IBM’s SLAs.
3. Elapsed time degradation which is directly traceable to activities for which the City has responsibility (per the matrix defined in Appendix F) are excluded from measurement of IBM’s SLAs.
4. Disruptions in the batch schedule which are directly traceable to activities for which the City has responsibility (per the matrix defined in Appendix F) are excluded from measurement of IBM’s SLAs.

Definitions

Monthly Maximum Amount at Risk means ten percent (10%) of the Monthly Recurring Charge then in effect.

Minimum Service Level (MSL) means the minimum percentage of Scheduled Hours during which the defined Services will be available for use by the City.

Scheduled Outage means the number of hours in any month during which a defined Service Category is unavailable for use by End Users due to such things as preventive maintenance, upgrades, or planned changes. Scheduled Outages will be mutually agreed to by the City and IBM.

Service Categories are defined in Table 10-1 of this Appendix.

Service Level Credit or **SLC** is the amount of credit due to the City following the validation and reporting of a missed Minimum Service Level.

Measurement and Validation of Service Levels

Baseline Measurement Period

The Baseline Measurement Period for each category will be as set forth in Table B-1. The Baseline Measurement Period will be extended, if the Parties mutually agree that additional time is required to validate Service Levels. Service Level Credits or SLC Rebates for each category will apply during the Baseline Measurement Period.

Upon completion of the Baseline Measurement Period

Unless there is a material change to the Baseline Services assumptions and technical design, Minimum Service Levels and Service Level Rebates will be as set forth in Table B-1 below. If such change is required, IBM will update the values set forth in Table B-1 to reflect the mutually agreed upon change to the Service Levels.

Reporting

IBM will submit to the City a set of reports as set forth in Appendix E assessing IBM's performance during the previous calendar month against the Service Levels.

Root Cause Analysis

Should IBM fail to achieve a minimum level of service for certain of the categories as identified in Table B-1 below (Minimum Service Level or MSL), IBM will perform a Root Cause Analysis (RCA). The RCA will identify the following information regarding the failure:

1. Duration of the outage or service impact
2. Problem Description
3. Root Cause
4. Contributing Factors
5. Resolution
6. Action Plans to avoid a repeat of the failure, including task owners and projected timeline to complete specified actions.

IBM will make commercially reasonable efforts to put a resolution in place as soon as possible. The RCA will be due to the City within five (5) business days of the reported problem.

Service Level Credit

Should IBM fail to achieve a minimum level of service for certain of the categories as identified in Table B-1 below (Minimum Service Level or MSL), IBM acknowledges that the City may be damaged by such failure. Because the precise amount of such damages, if any, would be difficult, in most cases, to ascertain, IBM agrees that in the event of such failure IBM will create a liability equal to the Service Level Credit Amount (Service Level Credit or SLC) as set forth in this Appendix, against the charges owing to IBM under this Agreement. Should IBM achieve the Service Level for the following three (3) consecutive months in the affected service level category and IBM does not experience a failure for the same root cause for which the Service Level Credit was assessed, the City agrees that IBM has earned back the Service Level Credit, and as such, the Service Level Credit liability is forgiven. Otherwise, the SLC will be applied against the following month's invoice amount.

Service Level Credit Calculation

For failure to meet a Minimum Service Level in any defined category, the SLC will be determined as follows:

1. Each category will be assigned a weighting factor. The total of the weighting factors for all categories cannot exceed 100 percent. Categories and their assigned weighting factors will be as set forth in Table B-1 below.

- 2. Failure to meet the MSL in a specific category for any month will result in a Service Level Credit amount that will be determined by multiplying Monthly Recurring Charge times the Monthly Maximum Amount at Risk times the weighting factor assigned by the Customer.

For example, if the Monthly Recurring Charge is \$169,810.00, and IBM has failed to meet a Service Level for a category that is weighted at 30 percent, the applicable credit would be:

$$(\$169,810.00 \times 10\%) \times 30\% = \$5,094.30$$

$$(MRC \times \text{Monthly Maximum Amount at Risk}) \times \text{Weighting Factor} = \text{Service Level Credit}$$

Table B-1 – Minimum Service Levels

Category	Criteria	Minimum Acceptable Service Level	Baseline Measurement Period	Weighting Factor
Data Accessibility	Percentage of times that data and system are available for use during scheduled uptimes. Planned outages (system administration) as specified under functionality requirements, do not affect availability.	24/7/365 except for scheduled downtime of 2.5 hours per month, or as requested and approved, for maintenance effective as of the Availability Date. Defect Threshold: 99.9%	90 days	30%
Network Availability	The availability of the Logical Data Network supporting the CPU complex and peripherals, including front end processors.	24/7/365 except for scheduled downtime of 2.5 hours per month, or as requested and approved, for maintenance effective as of the Availability Date. Defect Threshold: 99.9%	90 days	10%
Transaction Response Time	Length of time host systems and networks transmit and process requests and returned data to user's screens	24/7/365 95% within 2 seconds 99% within 10 seconds	90 days	5%
Data File Restoration	Length of time to restore files from the time of request until data is available	24/7/365 95% within 4 hours 100% within 6 hours	90 days	8%
Back-ups	Percentage of time that backups must complete successfully; frequency and minimum retention criteria for backups; actual data retention must meet City Legal requirement.	100% successful backups Taken daily; retained for 30 days Taken weekly; retained for 13 months Only 3 generations (3 weeks) of the weekly backups are kept off-site and the remaining generations will be kept at the Dallas Data Center.	0 days	7%

Production Batch Schedule	The scheduling software will be available and operational. Production Batch Jobs can be scheduled and scheduling software will accept the scheduled job.	98% Availability	30 days	7%
Demand Batch Schedule	The scheduling software will be available and operational. Demand Batch Jobs can be scheduled and scheduling software will accept the scheduled job, which can be requested by users.	98% Availability	30 days	5%
Test Batch Schedule	The scheduling software will be available and operational. Test Batch Jobs can be scheduled and scheduling software will accept the scheduled job, which can be requested by technical services personnel, application development personnel or end users.	98% Availability	30 days	3%
Disaster Recovery	Percentage of time that system and data access is retrievable after any disaster that may occur in the IBM Data Center and declaration of a Disaster by the City	100% of Critical Applications within 48 hours	0 days	25%

Appendix C – Machines and Equipment

C-1 CONFIGURATION

The following Machines and equipment will be provided as part of the Configuration at the IBM data center effective on the Availability Date. The mainframe, DASD and LAN switches are at or coming to their end of support and will be replaced as noted in the following list:

- IBM 2086-A04 (88 MIPS) Dedicated Processor zSeries is to be replaced with a 2098-E02 (99 MIPS) in the October 1, 2013 – September 30, 2015 contract extension period.
- Shark DASD 2105-F20 platform is to be replaced with a shared DS8000 series in the October 1, 2013 – September 30, 2015 contract extension period.
- 4 Shared IBM 3490e Tape Transports and supporting Controllers
- 4 shared IBM 3590e Tape Transports and supporting Controllers
- 1 Shared IBM 3494 Automated Tape Library/Virtual Tape Server (ATL/VTS) with 32 Shared IBM 3590e Tape Transports and 64 shared IBM 3490e virtual Tape Transports
- All necessary LAN hardware internal to the Dallas SDC (Two Cisco 2950-12 LAN Switches are to be replaced by two Cisco 2960-24 LAN Switches.
- 5 Cisco routers replacing Cisco 2621 Routers

Appendix D – Programs

This Appendix D lists the Programs to be installed on the Processor according to the categories established in Section 5.0, "Dedicated Processor Programs".

IBM Programs that IBM Provides and IBM Supports

The following table is a list of the IBM Programs that Customer may access and use, and that IBM will support, in accordance with Section 5.1, "IBM Programs that IBM Provides and IBM Supports"

Table D.1 – IBM Programs that IBM Provides and IBM Supports				
Product	Name	Product Support	Custom	Admin
5698B15	Automated Tape Allocation Manager	IBM	IBM	IBM
5655M15	CICS TS for z/OS V3	IBM	IBM	IBM
5655G53	COBOL for z/OS	IBM	IBM	IBM
5697L90	DB2 Administration Tool	IBM	IBM	IBM
5675DB2	DB2 UDB FOR z/OS Note 1	IBM	IBM	COA
5675DB2	DB2 UDB QMF FOR z/OS Note 1	IBM	IBM	COA
5625DB2	DB2 UDB for z/OS Note 1	IBM	IBM	COA
5625DB2	DB2 UDB QMF Classic Note 1	IBM	IBM	COA
5655103	DITTO/ESA FOR MVS	IBM	IBM	IBM
5688191	OGL/370	IBM	IBM	COA
5698B49	Omegamon XE for CICS	IBM	IBM	IBM
5655Q08	Omegamon XE for DB2 PM	IBM	IBM	IBM
5655A33	Omegamon XE for z/OS	IBM	IBM	IBM
5688190	PPFA/370	IBM	IBM	COA
5655M32	PSF V4 for z/OS	IBM	IBM	IBM
5698B39	Tivoli Asset Discovery for z/OS	IBM	IBM	IBM
5697ENV	Tivoli Netview for z/OS	IBM	IBM	IBM
5655R36	WMQ for z/OS	IBM	IBM	COA
5655R36	WMQ for z/OS Client Attachments	IBM	IBM	IBM
5694A01	z/OS V1 Base	IBM	IBM	IBM
5694A01	z/OS V1 Communications Server	IBM	IBM	IBM
5694A01	z/OS V1 DFSMS dsshsm	IBM	IBM	IBM
5694A01	z/OS V1 DFSORT	IBM	IBM	IBM
5694A01	z/OS V1 Infoprint Server	IBM	IBM	IBM
5694A01	z/OS V1 ISPF/PDF/TSOe	IBM	IBM	IBM
5694A01	z/OS V1 JES2	IBM	IBM	IBM
5694A01	z/OS V1 RMF	IBM	IBM	IBM
5694A01	z/OS V1 SDSF	IBM	IBM	IBM
Note 1	DB2 Version 8 to be upgraded to DB2 Version 10			

Non-IBM Programs that IBM Licenses and IBM Supports

The following table is a list of the non-IBM Programs that IBM licenses which Customer may access and use, and that IBM will support, in accordance with Section 5.2, "Non-IBM Programs that IBM Licenses and IBM Supports"

Table D.2 – Non-IBM Programs that IBM Licenses and IBM Supports

Product	Name	Product Support	Custom	Admin
None Listed- as of the Start Date				

Programs that Customer Owns/Licenses and that IBM Supports

The following table is a list of the Programs that Customer owns or licenses, and that IBM will support, in accordance with Section 5.3, "Programs that Customer Owns/Licenses and that IBM Supports"

Table D.3 – Programs that Customer Owns/Licenses and that IBM Supports

Vendor	Name	Product Support	Custom	Admin
Computer Associates	DADS Plus	IBM	IBM	IBM
Computer Associates	Easytrieve + DB2 Interface	IBM	IBM	COA
Computer Associates	Faver	IBM	IBM	IBM
Computer Associates	Librarian	IBM	IBM	IBM
Computer Associates	Opera	IBM	IBM	IBM
Computer Associates	Unicenter Database Analyzer	IBM	IBM	COA
Computer Associates	Unicenter m Detector	IBM	IBM	COA
Computer Associates	Unicenter Plan Analyzer	IBM	IBM	COA
Computer Associates	Unicenter RC/MIGRATOR	IBM	IBM	COA
Computer Associates	Unicenter RC/QUERY	IBM	IBM	COA
Computer Associates	Unicenter RC/SECURE	IBM	IBM	COA
Computer Associates	Unicenter RC/UPDATE	IBM	IBM	COA
Computer Associates	Unicenter SPACE CALCULATOR	IBM	IBM	COA
Computer Associates	Unicenter Statistics Manager	IBM	IBM	COA
Computer Associates	Unicenter Subsystem Analyzer	IBM	IBM	COA
Computer Associates	Roscoe	IBM	IBM	IBM
Computer Associates	Scheduler	IBM	IBM	IBM
Computer Associates	TLMS	IBM	IBM	IBM
Computer Associates	Top Secret	IBM	IBM	COA

Programs that Customer Owns/Licenses and that Customer Supports

The following table is a non-exclusive list of the Programs that Customer owns or licenses, and that Customer will support, in accordance with Section 5.4, "Programs that Customer Owns/Licenses and Customer Supports"

Table D.4 – Programs that Customer Owns/Licenses and Customer Supports

Vendor	Program
-None Listed- as of the Start Date	

Appendix E – Support Responsibilities by Organization

The purpose of this matrix is to describe which responsibilities Customer will keep and which should be included in the proposal as a Service provided by the vendor in the outsourced environment. Shared responsibilities are those that both parties will be responsible for.

Responsibility	IBM	Client Responsibility	Shared
Hardware			
Build the hardware configuration/create the hardware environment at the VENDOR data center	X		
Maintain IBM owned physical hardware	X		
Provide redundancy and fault tolerance capabilities	X		
Format DASD volumes	X		
Maintain IOCP/HCDGEN	X		
Provide Site Security at VENDOR Facility	X		
Monitor EREP and Service Director for VENDOR owned hardware	X		
Operating System Software			
Full volume restores during the system migration	X		
Logical volume restores during the migration	X		
MVSCP (or equivalent in non-MVS operating systems) updates to prepare for the migration	X		
MVSCP maintenance post-migration	X		
Support system backups	X		
Provide IBM Software Licenses	X		
Provide non-IBM Software Licenses		X	
Support non-vendor supported software	X		
Maintain JES2 environment	X		
Maintain system log	X		
Network Software			
Maintain VTAM definitions	X		
Maintain Communication controller GENS			X
Monitor network environment			X
Network (Physical)			
Manage/Drive network problems to resolution			X
Contact telco for circuit problems			X
Contact support for problems with CSU/DSUs	X		
Contact support for problems with channel banks	X		
Contact support for problems with the host attached 37x5		X	
Application Software			

Responsibility	IBM	Client Responsibility	Shared
Installation of application software		X	
Performance tuning		X	
Problem reporting		X	
Problem management		X	
Application data backups		X	
Database administration		X	
Storage Management			
Hardware recovery management	X		
Monitor space usage	X		
Media alerts	X		
DASD Management (HSM, SMS)	X		
Application file management		X	
Catalog management	X		
Performance Reporting			
Performance reports for TSO, Batch, CPU, Memory	X		
Performance tuning (system level)	X		
Operations			
End user help desk		X	
7 x 24 Operations coverage	X		
System IPLs	X		
Monitor I/O	X		
Record system problems	X		
Record hardware problems	X		
Perform standalone dumps	X		
Document operating procedures	X		
Execute production schedules	X		
Transmit files to/from outside vendors			X
Manage application problems		X	
Record application problems in problem management system		X	
Notify customer during problems	X		
Support recovery effort	X		
Report balancing	X		
Provide recovery procedures	X		
Tape Operations			
Technology conversion	X		
Tape Management conversion	X		
Provide tape media/supplies	X		

Responsibility	IBM	Client Responsibility	Shared
Execute tape jobs	X		
Provide physical tape tracking	X		
Annual Inventory	X		
Creation of tape reports	X		
Offsite vaulting	X		
Shipping/receiving tapes at the VENDOR data center	X		
Tape media repair			X
Data Security			
Building of databases		X	
Building/creation of user-ids		X	
Building profiles/groups		X	
Data security administration		X	
Application Services			
Provide change management	X		
Perform compiles and binds		X	
Track program/procedure changes		X	
Create job schedules			X
Update/modify existing job schedules			X
Problem tracking and reporting			X
Output Services			
Local printing		X	
Custom forms inventory		X	
Forms inventory control		X	
Custom forms design		X	
Microfiche creation		X	
Microfiche distribution		X	
Mail insertion		X	

ENTIRE AGREEMENT

The Parties acknowledge that they have read this SOW, understand it, and agree to be bound by its terms and conditions. Further, the Parties agree that the complete and exclusive statement of the agreement between the Parties relating to the Services described herein consists of 1) this Statement of Work and its Appendices, 2) Contract Summary and its Exhibits, and Appendices, and 3) the equivalent terms and conditions of the IBM GSA IT Schedule Contract, GS-35F-4984H. This statement of the agreement supersedes any prior oral or written agreements, understandings, or communications with respect to the subject matter of this SOW.

OWNER:
City of Atlanta

CONTRACTOR:
International Business Machines Corporation

Designated Signatory

Sam Grese
IBM Project Executive, State and Local
Government, Strategic Outsourcing