



BOARD OF SUPERVISORS AGENDA ITEM REPORT
AWARDS / CONTRACTS / GRANTS

☐ Award ☒ Contract ☐ Grant

Requested Board Meeting Date: 1/23/2024

* = Mandatory, information must be provided

or Procurement Director Award: ☐

***Contractor/Vendor Name/Grantor (DBA):**

International Business Machines Corporation DBA IBM Corporation

***Project Title/Description:**

Maximo Subscription and Hosting

***Purpose:**

Amendment: Master Agreement No. MA-PO-23-164, Amendment No. 01. This Amendment is for a one-time increase in the amount of \$75,000.00 for a cumulative not-to-exceed contract amount of \$1,975,000.00 and increases capacity of the County's Maximo subscriptions. Administering Department: Information Technology.

***Procurement Method:**

Pursuant to Pima County Procurement Code 11.12.020, Competitive sealed proposals, on 05/16/2023, the Board of Supervisors approved an award of contract for a term effective 05/16/2023 to 05/15/2028 in the award amount of \$1,900,000.00.

PRCUID: 425287

Attachment: Contract Amendment No. 01.

***Program Goals/Predicted Outcomes:**

Maximo currently provides Pima County asset and work management tools, and this implementation will update and increase functionality of that software to better integrate with the new ERP System. This will increase County efficiency and interoperability through the implementation of an integrated ERP system.

***Public Benefit:**

As the systems being replaced are vital to the operations of the County, a more fully integrated ERP system will allow County departments to more efficiently perform their duties, thereby permitting the County to better serve its constituents in a more cost-effective environment.

***Metrics Available to Measure Performance:**

Standard project management measurements to track progress of the project and validate implementation success. Analysis of life-long costs and support metrics during the life of the ERP system.

***Retroactive:**

No.

TO: COB 01/18/2024 (1)

VERS: 2

PGS: 8

THE APPLICABLE SECTION(S) BELOW MUST BE COMPLETED

Click or tap the boxes to enter text. If not applicable, indicate "N/A". Make sure to complete mandatory (*) fields

Contract / Award Information

Document Type: _____ Department Code: _____ Contract Number (i.e., 15-123): _____
Commencement Date: _____ Termination Date: _____ Prior Contract Number (Synergen/CMS): _____
☐ Expense Amount \$ _____* ☐ Revenue Amount: \$ _____

*Funding Source(s) required: _____

Funding from General Fund? ☐ Yes ☐ No If Yes \$ _____ % _____

Contract is fully or partially funded with Federal Funds? ☐ Yes ☐ No

If Yes, is the Contract to a vendor or subrecipient? _____

Were insurance or indemnity clauses modified? ☐ Yes ☐ No
If Yes, attach Risk's approval.

Vendor is using a Social Security Number? ☐ Yes ☐ No
If Yes, attach the required form per Administrative Procedure 22-10.

Amendment / Revised Award Information

Document Type: MA Department Code: PO Contract Number (i.e., 15-123): 23-164
Amendment No.: 01 AMS Version No.: 2
Commencement Date: 01/23/24 New Termination Date: N/A
Prior Contract No. (Synergen/CMS): N/A

☒ Expense ☐ Revenue ☒ Increase ☐ Decrease

Is there revenue included? ☐ Yes ☒ No If Yes \$ N/A

Amount This Amendment: \$ 75,000.00

*Funding Source(s) required: Non-Bond Projects Fund

Funding from General Fund? ☐ Yes ☒ No If Yes \$ N/A % N/A

Grant/Amendment Information (for grants acceptance and awards)

☐ Award ☐ Amendment

Document Type: _____ Department Code: _____ Grant Number (i.e., 15-123): _____
Commencement Date: _____ Termination Date: _____ Amendment Number: _____
☐ Match Amount: \$ _____ ☐ Revenue Amount: \$ _____

*All Funding Source(s) required: _____

*Match funding from General Fund? ☐ Yes ☐ No If Yes \$ _____ % _____

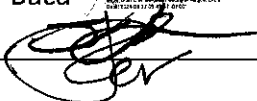
*Match funding from other sources? ☐ Yes ☐ No If Yes \$ _____ % _____

*Funding Source: _____

*If Federal funds are received, is funding coming directly from the Federal government or passed through other organization(s)?

Contact: Procurement Officer, Kelsey Braun-Shirley
Department: Procurement Director, Terri Spencer

Acting Division Manager, Troy McMaster
Telephone: 520.724.8728

Department Director Signature: Javier Baca
Deputy County Administrator Signature: 
County Administrator Signature: _____

Date: _____
Date: 1-18-2024
Date: 1-18-2024

Pima County Procurement Department

Project: Maximo Subscription and Hosting

Contractor: International Business Machines Corporation dba IBM Corporation
1 Orchard Road
Armonk, NY 10504

Contract No.: MA-PO-23-164

Contract Amendment No.: 01

Orig. Contract Term:	05/16/2023 – 05/15/2028	Orig. Amount:	\$ 1,900,000.00
Termination Date Prior Amendment:	N/A	Prior Amendments Amount:	\$ 0.00
Termination Date This Amendment:	05/15/2028	This Amendment Amount:	\$ 75,000.00
		Revised Total Amount:	\$ 1,975,000.00

CONTRACT AMENDMENT

The parties agree to amend the above-referenced contract as follows:

1. Background and Purpose.

1.1. Background. On May 16, 2023, County and Contractor entered into the above referenced agreement to provide license subscription and hosting services for Contractor's Maximo software.

1.2. Purpose. County requires increased capacity with its Maximo subscriptions.

2. Maximum Payment Amount. The maximum amount the County will spend under this Contract is increased by \$ 75,000.00. County's total payments to Contractor under this contract, including any sales taxes, will not exceed \$ 1,975,000.00.

3. Scope of Services. The parties have revised the subscriptions for IBM Maximo Application Suite Dedicated Capacity Unit per Month and IBM Maximo Application Suite Dedicated Data Gigabyte per Month as described in **Exhibit A: IBM Quote No. 19709056** (6 pages).

All other provisions of the Contract not specifically changed by this Amendment remain in effect and are binding upon the parties.

This contract template has been approved as to form by the Pima County Attorney's Office.

PIMA COUNTY

Chair, Board of Supervisors

Date

ATTEST

Clerk of the Board

Date

APPROVED AS TO CONTENT

 Nancy Cole

Department Head

01/09/24

Date

**INTERNATIONAL BUSINESS
MACHINES CORPORATION DBA IBM
CORPORATION**

Signed by Randall Serak
on 2024-01-10

Authorized Officer Signature
Randall Serak Associate Partner

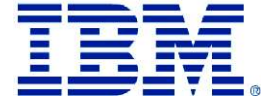
Printed Name and Title

2024-01-10 13:01:06 PST

Date

EXHIBIT A

International Business Machines Corporation
International Business Machines Corporation, 1 North Castle Drive, Armonk, NY
10504



IBM Quotation

Attn: John Merritt
Pima County Government
18th Floor
150 West Congress
TUCSON AZ 85701-1333
UNITED STATES

IBM Site Number: 3466986
IBM Agreement Number: 204090
IBM Customer Number: 7195827

Dear John Merritt

Thank you for being an IBM Client. We are delighted to provide this quote for IBM offerings.

Worldwide, companies like yours are increasingly demanding more from their information technology infrastructure, increased flexibility, scalability and agility to meet changing business needs. At the same time, they want reduced cost, rapid deployment and investment recovery.

Over the years, our products, services and solutions capabilities have given our Clients the reliability, availability, security, and manageability to improve operations and achieve efficiency while accommodating growth at reduced cost. These characteristics have been and will remain fundamental to the IBM portfolio.

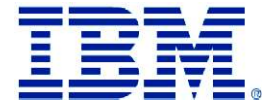
Unless specifically agreed herein or in another signed agreement in writing between you and IBM, the licenses for the Programs and S&S acquired under this Quote / Agreement may not be used to settle or resolve any software license non-compliance by you that occurred prior to the Start Date of this Agreement. Further, unless otherwise agreed to by the parties in writing, the licenses for the Programs and S&S acquired under this Quote / Agreement may not be used as authorization to deploy the Programs prior to the date of your order against this Quote / Agreement. For more information about eligibility and reporting requirements for sub-capacity licensing, please visit <https://www.ibm.com/software/passportadvantage/subcaplicensing.html> and for more information about eligibility and reporting requirements for container licensing, please visit: <https://www.ibm.com/software/passportadvantage/containerlicenses.html>.

This quotation is valid from 18-Jan-2024 and will expire on 31-Jan-2024.
We look forward to your order.

If you need assistance with placing your order or wish to discuss your quotation, please contact the IBM Representative noted below.

Yours sincerely,

ANNA O'BRIEN
Phone Number:
Fax Number:
E-mail Address: Anna.OBrien@ibm.com



IBM Quotation

Quotation Information

Number: **19709056**
Effective Date: **18-Jan-2024**
Expiration Date: **31-Jan-2024**

Sales Representative

IBM Contact: **ANNA O'BRIEN**
E-mail Address: Anna.O'Brien@ibm.com

Customer Information

Attn: **John Merritt**
Pima County Government
18th Floor
150 West Congress
TUCSON AZ 85701-1333
UNITED STATES

IBM Site Number: **3466986**
IBM Customer Number: **7195827**
IBM Agreement Number: **204090**

Summary

This quote represents an Incremental Commitment of **109,382.19 USD**, which is included as part of the total amount listed below.

Current Transaction:

As a Service	1,030,935.70
Total	1,030,935.70 USD

**Note - For applicable subscriptions a daily prorated amount will be calculated at time of invoicing. Your new rate will be applied at the start of your next billing period.*

Current Transaction

As a Service **1,030,935.70 USD**

IBM Maximo Application Suite Dedicated (Service level change)

IBM Maximo Application Suite Dedicated Capacity Unit per Month

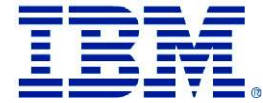
Subscription Part#: **D02QTZX**
Billing: **Annual**
Unit Price: **480.00**

Subscription Length: **53 Months**
Price Change within Subscription: **Increase 3.000 % every 12 Months**
Renewal Type: **Expires at end of Subscription**

Line Item	Quantity	Month	Subscription Rate	Line Item Price
1	434	1-5	208,320.00	86,800.00
2	434	6-17	214,569.60	214,569.60
3	434	18-29	221,006.69	221,006.69
4	434	30-41	227,636.89	227,636.89
5	434	42-53	234,466.00	234,465.99

Subtotal **984,479.17 USD**

Price changes for the above entitlements will occur at the same time as price changes occur for the originally contracted entitlements or for the entitlements to which we are aligning coverage.



IBM Maximo Application Suite Dedicated Data Gigabyte per Month

Subscription Part#: **D02QUZX**
Billing: **Annual**
Unit Price: **3.84**

Subscription Length: **53 Months**
Price Change within Subscription: **Increase 3.000 % every 12 Months**
Renewal Type: **Expires at end of Subscription**

Line Item	Quantity	Month	Subscription Rate	Line Item Price
6	2,560	1-5	9,830.40	4,096.00
7	2,560	6-17	10,125.31	10,125.31
8	2,560	18-29	10,429.07	10,429.07
9	2,560	30-41	10,741.94	10,741.94
10	2,560	42-53	11,064.20	11,064.21
Subtotal				46,456.53 USD

Price changes for the above entitlements will occur at the same time as price changes occur for the originally contracted entitlements or for the entitlements to which we are aligning coverage.

The line items above will replace the following line items on service agreement: **77530327**

Replaced Lines

IBM Maximo Application Suite Dedicated Capacity Unit per Month

Part#: **D02QTZX**
Unit Price: **480.00**
End date: **31-Jul-2028**

Original Term: **60 Months**
Billing: **Annual**

Line Item	Quantity	Discounted Price
11	393	188,640.00

IBM Maximo Application Suite Dedicated Data Gigabyte per Month

Part#: **D02QUZX**
Unit Price: **3.84**
End date: **31-Jul-2028**

Original Term: **60 Months**
Billing: **Annual**

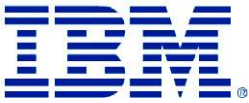
Line Item	Quantity	Discounted Price
12	2,048	7,864.32

Notes

Applicable tax will be recalculated at the time of order processing.

IBM acceptance of the order is subject to credit approval.

Upon placing your order, please supply a Purchase Order or, if not PO driven, a signed Firm Order Letter. The Purchase Order value must cover the applicable charges for a minimum of one year. If the Total Term is less than one year, the Purchase Order value must cover the Total Commit Value.



Potential Price Adjustment for Other Billing Frequency Options*

This quotation is currently based on Annual billing frequency for the Subscription Entitlements. The following table shows the potential price adjustment of placing the order under alternative billing options:

Billing Options	Subscription Price	Potential Price Adjustment
Monthly in Advance/Quarterly	1,082,482.49 USD	Increase by 51,546.79 USD
Upfront	979,388.91 USD	Decrease by 51,546.79 USD
Annual	1,030,935.70 USD	Not applicable

If you would like to place your order using a different billing frequency than Annual, please notify the IBM contact for this quotation so they can provide you with an updated quotation that reflects your desired billing frequency.

***Billing frequency price adjustments are applicable when term criteria are met (minimum 9 months for annual billing and minimum 24 months for upfront billing).**



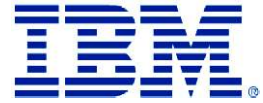
PAYMENT SCHEDULE PAGE

This is an estimate of payments, final determination of billing dependent on order date.

Month	Setup Products and Services	Subscription	Total
1	0.00	90,896.00	90,896.00
6	0.00	224,694.91	224,694.91
18	0.00	231,435.76	231,435.76
30	0.00	238,378.83	238,378.83
42	0.00	245,530.20	245,530.20
Total in USD	0.00	1,030,935.70	1,030,935.70

International Business Machines Corporation

International Business Machines Corporation, 1 North Castle Drive, Armonk, NY 10504



IBM Terms and Conditions

IBM International Passport Advantage Agreement

The quote or order to which this document relates is governed by the terms of your Passport Advantage Agreement and its associated attachment(s).

IBM Terms for IBM Cloud Offerings

The referenced Cloud Services are governed by the terms of your International Passport Advantage Agreement, its associated attachment(s), and the referenced Transaction Documents. Your order and use of the Cloud Services are your acceptance of the prices and terms referenced in this document, except to the extent superseded by a written amendment or agreement signed by both of us.

Final coverage dates for offerings listed are provided in your Proof of Entitlement.

Transaction Documents

IBM Terms of Use - General Terms for IBM Cloud Offerings at:

<https://www.ibm.com/software/sla/sladb.nsf/sla/tou-gen-terms>

Service Description(s) for ordered Cloud Services:

IBM MAXIMO APPLICATION SUITE MANAGED SERVICE

<https://www.ibm.com/support/customer/csol/terms/?id=i126-8819>

Please read all terms for each of the above referenced Transaction Document(s) to ensure you are agreeing to the most recent version of the document. If you have any trouble with the link provided, please copy and paste the appropriate URL in your browser's navigation bar.

Billing and Provisioning

At time of acceptance of this quote either by Purchase Order or Firm Order Letter, IBM will begin billing for the SaaS Subscription(s) as indicated above. When IBM is ready to provision the SaaS Subscription(s) in the quote IBM will use information provided by the Client, as well as default technical data to configure the clients SaaS Subscription for access. IBM will notify the Client with details on the provisioning on the date in which the Client can access the SaaS and the term for the SaaS will begin on the date indicated. If provisioning information needs to be updated please refer to the IBM Software as a Service (SaaS) Support Handbook.

Please work with your IBM Sales Representative or your IBM Business Partner to complete the provisioning data at or prior to time of order.

Unless specifically agreed herein or in another signed agreement in writing between you and IBM, the licenses for the Programs and S&S acquired under this Quote / Agreement may not be used to settle or resolve any software license non-compliance by you that occurred prior to the Start Date of this Agreement. Further, unless otherwise agreed to by the parties in writing, the licenses for the Programs and S&S acquired under this Quote / Agreement may not be used as authorization to deploy the Programs prior to the date of your order against this Quote / Agreement. For more information about eligibility and reporting requirements for sub-capacity licensing, please visit <https://www.ibm.com/software/passportadvantage/subcaplicensing.html> and for more information about eligibility and reporting requirements for container licensing, please visit: <https://www.ibm.com/software/passportadvantage/containerlicenses.html>.

If you have any trouble with the link provided, please copy and paste the appropriate URL in your browser's navigation bar.

Useful/Important Web resources:

Passport Advantage information, customer secure site access, training, etc.: www.ibm.com/software/passportadvantage

IBM's International Program License Agreement and product License Information documents: www.ibm.com/software/sla

IBM Software Support Web site: <https://www.ibm.com/software/support/handbook.html>

IBM Customer Number: 7195827