

ITEM #: 17
DATE: 01-14-25
DEPT: FIN

COUNCIL ACTION FORM

**SUBJECT: MASTER LICENSE AND SERVICE AGREEMENT EXTENSION FOR
VENDOR MANAGEMENT AND ELECTRONIC BIDDING SOFTWARE**

BACKGROUND:

In December 2019, the Purchasing Division entered into a software-as-a-service (SAAS) agreement with Ion Wave Technologies, Inc. for a five-year term to provide a Vendor Management and Electronic Bidding System to address two long-term goals. These include 1) the implementation of an automated method for managing City vendors their interest in the City's business and 2) a platform to issue and receive bids and proposals (bids) electronically.

This software allows vendors to register for City business, provide contact information, and identify the products and services they provide. The software continues to improve communication, transparency, and record-keeping regarding the City's vendors. When a bid is created, staff will select a commodity or service code, and if vendors are registered under the code, they are sent an email regarding the bid, providing them with a direct link to the software. Staff also has the ability to add any additional vendors who may not be registered. Bids are set up so the vendor is not able to submit a bid until all required fields are completed, thus limiting the risk of a non-compliant bid. This eliminates incomplete submissions or unsigned bids. A bid tabulation is automatically created and posted for vendors and departments to view.

Iowa State University (ISU) competitively bid a Procurement Bidding/Sourcing Software. As part of that bid, the vendor offered the software and associated pricing to other Regents Institutions, other State of Iowa public agencies, and municipalities. Other agencies that have entered into agreements with Ion Wave include the City of Des Moines, City of Iowa City, City of Cedar Rapids, City of Council Bluffs, and Iowa DOT. The City utilized this pricing model for the initial five-year contract. **The City Council is being asked to approve a waiver of the Purchasing Policy threshold of \$25,000 for the use of cooperative agreements to utilize ISU's pricing agreement AND extend a five-year master license and service agreement to Ion Wave Technologies, Inc., Springfield, MO, in the amount of \$69,580.**

To extend the agreement, Ion Wave will provide the City with the software at a 3% increase per year by committing to extend the five-year agreement for an additional five years rather than five single-year agreements. If the City desired an annual agreement, the annual cost would increase by 7-9.5% annually. The cost of the final term of the original five-year agreement was \$12,725. The annual Costs for the service are as follows:

Year 1	Dec 1, 2024 – Nov. 30, 2025	\$13,105
Year 2	Dec 1, 2025 – Nov. 30, 2026	\$13,500
Year 3	Dec 1, 2026 – Nov. 30, 2027	\$13,905
Year 4	Dec 1, 2027 – Nov. 30, 2028	\$14,320
Year 5	Dec 1, 2028 – Nov. 30, 2029	\$14,750
	TOTAL	\$69,580

Although the agreement is for five years, the fees will be billed annually. The FY 2024/25 Purchasing Division computer maintenance budget includes \$13,325 for the cost of this software. The agreement includes a non-appropriation clause in the event funding for the service is not provided in future budget years.

ALTERNATIVES:

1. Authorize a resolution waiving the Purchasing Policy threshold of \$25,000 for the use of cooperative agreements and approval of the use of ISU's pricing agreement for a five-year extension of a master license and service agreement with Ion Wave Technologies, Inc, Springfield, MO for Vendor Management and Electronic Bidding System Software to in the amount of \$69,580.
2. Do not approve extension of the five-year agreement and direct City staff to enter into an annual agreement for a higher net cost.
3. Do not approve extension of the agreement.

CITY MANAGER'S RECOMMENDED ACTION:

A vendor management and electronic bidding platform is essential to provide excellent customer service to the City's vendor community. The system provides Purchasing staff a centralized tool that is transparent and allows efficient management of the vendors interested in doing business with the City, as well as the ability to submit bids electronically, automatically create bid tabulations, and provide award information quickly to the vendor community. The system provides for a versatile product that assists City staff to more effectively manage the bidding process. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.