TO:	**CHAIR AND MEMBERS** **CORPORATE SERVICES COMMITTEE** **MEETING ON TUESDAY, NOVEMBER 26, 2013**
FROM:	**JOSEPH EDWARD** **CHIEF TECHNOLOGY OFFICER** **INFORMATION TECHNOLOGY SERVICES**
SUBJECT:	**RFP13-09** **NETWORK MODERNIZATION**

RECOMMENDATION

That, on the recommendation of the Chief Technology Officer, Information Technology Services, that the following actions **BE TAKEN** with respect to the Network Modernization Request for Proposal which deals with networking software and hardware such as switches, routers, wireless, network management software, design and implementation, ongoing maintenance and support:

a. The Submission from Telus Communications Company, 215 Slater Street, Floor 7, Ottawa, ON K1P 0A6 for modernizing the City of London digital network infrastructure and their submitted total cost for hardware, software and implementation services of $2,487,224 (excluding HST), **BE ACCEPTED**;

b. The Civic Administration **BE AUTHORIZED** to undertake all administrative acts which are necessary in connection with this contract;

c. Approvals hereby given **BE CONDITIONAL** upon the Corporation entering into a formal contract or issuing a purchase order relating to the subject matter of this approval; and

d. The financing for this project **BE APPROVED** as set out in the Source of Financing Report attached as Appendix 'A'.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

Information Technology Strategy – Finance & Administration Committee, January 16, 2012.

BACKGROUND

The City of London Information Technology (IT) assets have a value of around $46 million. These assets consist of servers, storage systems, a fibre network, enterprise applications, business applications, desktops, mobile devices, network devices such as communication towers, routers, and switches.

Similar to physical infrastructure such as roads and bridges, digital infrastructure needs maintenance and management. IT assets need to be assessed on a continuous basis for business value based on technology alignment, business fit, support requirements, and life expectancy.

Depending on the lifecycle of the assets, timely replacement would be required to ensure business continuity and service delivery. Not having a lifecycle management of IT assets will almost certainly cause interruptions to the functions and service delivery of the City.

Current Status:

The City of London digital network infrastructure is about 8-10 years old and it has surpassed its normal life expectancy. This network is the backbone on which all the systems that help provide services to the City of London operate; without this backbone operating consistently and efficiently a disruption of services will occur.
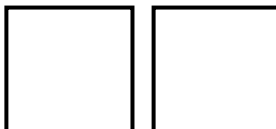
The following highlights some specific concerns and challenges related to the current state of the digital network infrastructure.

Equipment age:
The vast majority of the network equipment is between 8 to 10 years old and is starting to see higher instances of failures.

Supply issues:
Approximately 90% of our equipment is categorized as obsolete (end of life and end of support). As a result we are experiencing supply issues with manufacturers where we can no longer find parts to replace ones that have failed.

Vendor compatibility issues:
Mixing of vendor equipment has created unnecessary complexity in the support and management of the overall enterprise data network for staff.

Security constraints:
Software and equipment security controls are limited compared to new security standards and enhancements available in modern equipment.

Network performance:
Equipment and associated cabling will not handle future needs for higher bandwidth and quality of service required for services such as Video Conferencing and Wi-Fi.

The Project:

The recommended proponent will replace all network devices with Cisco devices. According to the information technology research analyst group Gartner, Cisco is considered as a leader in wired, wireless and unified communication technologies.

Based on the current plan, this project will be completed in six phases over 3 to 4 years without interrupting the day to day operations of the City. A systematic approach and a very stringent project plan will be followed.

Purchasing Process:

In August of 2012, Purchasing & Supply together with Information Technology Services with the assistance of an IT subject matter expert consultant issued a Request for Qualifications (hereinafter referred to RFQUAL) 12-08 to source interested qualified vendors to renew our enterprise-wide data network. The nature of these opportunities included:

- o Redressing network deficiencies;
- o Expanding the portfolio of network delivered services;
- o Improving network management, security, performance, and availability; and
- o Consolidating the number of equipment manufacturers.

In addition, we were looking for a close long term partnership with a proponent team who would share the City's long term objectives. Both the capabilities of providing enterprise network services, and the willingness to form a complete project and service delivery team were requirements.

The City received fourteen (14) responses, and, based on the information provided by the Respondent in its RFQUAL submission, each RFQUAL submission was reviewed to assess compliance with the requirements set out in our RFQUAL document per the set Evaluation Criteria based on the following Weighting:

- o Demonstrated experience of the firm including: 1. Track record; and 2. Breadth and depth of municipal experience;
- o Ability to deliver network services based on the firm's score on expertise and proposed team.
- o Unified service delivery approach.
- o Financial strength including: 1. Stability of the firm; and 2. Risk management / performance guarantees; and
- o The firm's ability to meet the City's objectives.

This Selection Process provided the City with five (5) Short-List prequalified bidders to move onto the next phase of this project, where they were eligible to participate in the subsequent RFP Process. Proposal RFP13-09 was released in February of this year for the final selection of a vendor of record (hereinafter referred to as VOR) for our Network Modernization Project to seek and form a partnership with, a qualified provider for the provision of enterprise-wide network services that would include the following:

- o Network equipment provisioning (supply, configuration, installation, and maintenance services);
- o Equipment take-back program offerings; and
- o Network management services (complementary to those provided by the City).

The VOR is expected to form a close partnership with the City in order to meet our long-term network infrastructure objectives and to provide an array of enterprise network services.

The highest scoring submission was received from Telus Communications Company (hereinafter referred to Telus) which met all of our terms, conditions, requirements and specifications in all areas and offered us the best overall pricing for equipment (hardware and software) and related project and post-project support services. This partnership will help us meet our long-term objectives, capabilities of providing state-of-the-art Network replacement logistics and update our older technologies and components. The term of the contract will be for a period of two (2) years commencing tentatively December 1, 2013 with an option to renew for a further two (2) one (1) year periods or a month to month option at the sole discretion of the City of London. In determining whether to renew the contract, the City will consider, but not limited to, vendor performance, pricing, service and value.

Telus scored highest in the following Submission Weighting Criteria and offered us the best short term pricing and minimized our long term costs per the following attributes:

Cost & Service Model 1 (Project/Capital Costs)
- o Core, Distribution, and Access Layer network switching and other network component hardware, firmware, and software licenses;
- o Staging, configuration, implementation, and testing services; and
- o Ancillary components (structured cabling, racks and cabinets, power distribution components etc.).

Cost & Service Model 2 (Annual/Operational Costs)
- o Managed Services (supplemental network monitoring, software distribution services, etc.);
- o Repair Services / Maintenance Services;
- o Knowledge Transfer Plan / Training / Mentoring Services; and
- o Technology Course Offerings.

Proposed Team
- o Strength of Proposed Team / Degree of Local Presence;
- o Service Level Agreements; and
- o Presentation and Interview (at the City's discretion).

Procurement Initiatives
- o Supply chain methods /purchasing leverage;
- o Co-operative Purchasing Offerings; and
- o Sparing strategy.

Proposed Technology
- o Proposed Technology & Associated Security;
- o Value Rating of Solution; and
- o Life Cycle Position of Proposed Technologies.

Financial impact:

a) The Source of Financing is attached as Appendix "A".

b) Future additional annual operating costs for support and maintenance on this hardware and software are accommodated within the planned ITS operating budget.

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Conclusion:

The City of London digital network infrastructure is about 8-10 years old and it has surpassed its normal life expectancy. This network is the backbone on which all the systems that help provide services to the City of London operate; without this backbone operating consistently and efficiently a disruption to services will occur. The service provider will enable the issues surrounding an aging network to be resolved and position the City of London to take advantage of emerging technologies in the provision of its service as we move toward the Service London model.

Acknowledgements

This report was prepared with the assistance of Chris Ginty, CPPB, Procurement Officer, Troy Thompson, Manager, Infrastructure and Security, Information Technology Services, Paul Gardner, Manager, Networking, Information Technology Services and Dan Williams, Business Systems Analyst, Information Technology Services.

SUBMITTED & RECOMMENDED BY:	REVIEWED AND CONCURRED BY:
JOSEPH EDWARD, **CHIEF TECHNOLOGY OFFICER** **FINANCE AND CORPORATE SERVICES**	**MARTIN HAYWARD** **MANAGING DIRECTOR, CORPORATE** **SERVICES AND CITY TREASURER, CHIEF** **FINANCIAL OFFICER**

Attach: Appendix 'A', Source of Financing

Cc: John Freeman, Manager of Purchasing and Supply
       Chris Ginty, CPPB, Procurement Officer.