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| TO: | CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE TUESDAY, APRIL 12, 2016 |
| FROM: | MAT DALEY, DIRECTOR, INFORMATION TECHNOLOGY SERVICES AND ANNA LISA BARBON, DEPUTY CITY TREASURER, FINANCIAL SERVICES |
| SUBJECT: | SS16-11 SINGLE SOURCE CORPORATE TECHNOLOGY ASSETS |

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| RECOMMENDATION |
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That on the recommendation of the Director, Information Technology Services and the Deputy City Treasurer, Financial Services the following actions **BE TAKEN**, with respect to Corporate Technology Assets:

- a) That approval hereby **BE GIVEN** to enter into a two (2) year Single Source contract with an optional two (2) additional, one (1) year extensions for Desktop Management Products and Services from CompuCom Canada Co., 1830 Matheson Boulevard, Unit 1, Mississauga, ON, Canada L4W 0B3 at a cost of \$250,000 in 2016; \$850,000 in 2017; \$1,250,000 in 2018 and \$900,000 in 2019; it being noted that these amounts can be accommodated within the 2016-2019 property tax supported budget;
- b) The attached proposed By-law (Appendix A) **BE INTRODUCED** at the Municipal Council meeting of Tuesday, April 19th 2016:
 - i. **TO APPROVE** the agreement with CompuCom Canada Co. (the "Supplier") and The Corporation of the City of London (the "Buyer") for the "Publicly Funded Organization Agreement" for Desktop Management Services and Products (DMSP-03); and
 - ii. **TO AUTHORIZE** the Mayor and City Clerk to execute the Agreement in (a) above.
- c) That the Civic Administration **BE AUTHORIZED** to undertake all the necessary administrative acts that are necessary in connection with this matter;
- d) Approval hereby given **BE CONDITIONAL** upon the Corporation negotiating satisfactory prices, terms and conditions with CompuCom Canada Co. to the satisfaction of both the City Treasurer and the Director, Information Technology Services; and
- e) Approval hereby given **BE CONDITIONAL** upon the Corporation entering into a formal contract, agreement or having a purchase order relating to the subject matter of this approval.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

1. Board of Control Report, September 29, 2010, *RFP09-46 Computer Equipment Leasing Services*.
2. Finance and Administration Committee, May 18, 2011, *Single Source Vendor of Record for the Purchase of Standard Computer Equipment*.
3. Finance and Administration Committee, March 26, 2012, *Request for Proposal 11-20 Hewlett-Packard – Value Added Reseller*.
4. Corporate Services Committee, October 20, 2015, *SS15-40 Single Source For The Computer Equipment Leasing Services*.

BACKGROUND

The City of London currently leases Personal Desktops, All-In-One Desktops, Mini Desktops, Workstations, Laptops, Docking Stations and Monitors through an authorized Hewlett-Packard distributor under a Value Added Reseller (VAR) contract with OnX Enterprise Solutions. This contract is in conjunction with a lease partner Hewlett-Packard Financial Services (HPFS), both contracts were the result of successful competitive Request for Proposal (RFP) processes which commenced in 2010. Authorization to continue to acquire technology assets under the above two contracts will end May 31, 2016.

DISCUSSION

Information Technology Services and the Purchasing and Supply Division recently conducted a Lease vs. Purchase Options Analysis to investigate and determine the best approach and methodology for the continuous sourcing of corporate technology assets.

Based on the City of London's technology requirements, this assessment concluded that the most cost effective approach would be to purchase technology assets leveraging the Ontario Ministry of Government and Consumer Services RFP. CompuCom Canada Co. was selected as the registered Vendor of Record (VOR) for the Ministry of Government and Consumer Services (Ontario Master Agreement VOR OSS-00466131). The term of this award is a thirty-one (31) month period, with an optional two (2) additional, one (1) year extensions.

Entering into this Publicly Funded Organization Agreement allows the City of London to leverage the Province of Ontario Master Agreement VOR (OSS-00466131 – Desktop Management Services and Products – DMSP-03) with CompuCom Canada Co. and will ensure competitive pricing and cost certainty. Employing a purchasing strategy for technology assets will also result in the decrease of labour associated with the administration of the corporate technology asset portfolio. Under the PFO agreement the City of London and CompuCom Canada Co. agree to be bound by the provisions of the DMSP-03 agreement and the form of this agreement is attached as (Appendix B).

Currently more than 100 Publicly Funded Organizations (Governments, Health Care Institutions, School Boards, Colleges, Universities and Municipalities) leverage the Ontario Ministry of Government and Consumer Services RFP for technology assets. Municipal examples include: City of Mississauga, City of Kitchener, City of Brampton and the City of Windsor.

Purchasing Process

The DMSP-03 agreement with CompuCom Canada Co. is in compliance with our Procurement of Goods and Services Policy per section 14.4 Single Source item g) it is advantageous to the City to acquire the goods or services from a supplier pursuant to the procurement process conducted by another public body.

Financial Impact

Through analysis of the pricing available to the City of London from the DMSP-03 agreement with CompuCom Canada Co. it has been identified that the long term purchase of corporate technology assets (Personal Desktops, All-In-One Desktops, Mini Desktops, Workstations, Laptops, Docking Stations, and Monitors), would be less costly than continuing with our current leasing model.

By 2025, it is projected there will be an approximate cumulative cost savings of \$2 million.

Currently the City budgets \$1.4 million for annual leasing costs. As leases expire, the lease budget will be transferred to the ITS Reserve Fund in order to fund the purchase of equipment. As part of the 2017 annual budget update, a capital budget will be identified for the acquisition of corporate technology assets.

Acknowledgements

This report was prepared with the assistance of Chris Ginty, Procurement Officer, Purchasing and Supply Division; Lisa Karlovcec, Financial Business Administrator, Finance and Corporate Services; Lynn Marshall, Solicitor II, City Solicitor's Office; Sharon Swance, Manager II, Accounting, Finance and Corporate Services.

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| SUBMITTED BY: | REVIEWED & CONCURRED BY: |
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| MARCUS RUDDY MANAGER II, HARDWARE SERVICES INFORMATION TECHNOLOGY SERVICES | TROY THOMPSON, CISSP, MCSE, CNE MANAGER III, INFORMATION TECHNOLOGY SERVICES |
| RECOMMENDED BY: | RECOMMENDED BY: |
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| MAT DALEY, MB, BA, MPA, PMP DIRECTOR, INFORMATION TECHNOLOGY SERVICES | ANNA LISA BARBON, CPA, CGA, DEPUTY CITY TREASURER, FINANCIAL SERVICES |

cc: Ian Collins, Senior Financial Business Administrator
John Freeman, CSCMP, Manager of Purchasing and Supply
Chris Ginty, CPPB, Procurement Officer