

Date: February 23, 2021	Originator's files:
To: Chair and Members of General Committee	
From: Gary Kent, CPA, CGA, ICD.D, Commissioner of Corporate Services and Chief Financial Officer	Meeting date: March 31, 2021

Subject

Single Source Procurement of Information Technology Service Management Solution and Related Services with CDW Canada Corp. (File Ref. PRC002224)

Recommendation

1. That Council approve the single source procurement of ServiceNow Information Technology Service Management Solution and Related Services for a period of five (5) years, as detailed in the corporate report entitled "Single Source Procurement of Information Technology Service Management Solution and Related Services with CDW Canada Corp. (File Ref. PRC002224)", dated February 23, 2021, from the Commissioner of Corporate Services and Chief Financial Officer ("Purchase"), File Ref: PRC002224;
2. That the Purchasing Agent or designate be authorized to execute all contracts and related ancillary documents with respect to the Purchase between the City and CDW Canada Corp. for an estimated amount of \$1,333,673.04 exclusive of taxes, in accordance with the City's Purchasing By-law 374-06, as amended;
3. That the Purchasing Agent or designate be authorized to execute the necessary amendments to increase the value of the contract between the City and CDW Canada Corp. for additional products, software licensing, professional services, maintenance and support, including additional features and modules, for the purpose of accommodating growth and future business demands of the City, if the funding for such contract increase has been approved by Council;
4. That Council approve ServiceNow as a City Standard for a period of five (5) years, in accordance with the City's Purchasing By-law 374-06, as amended.

Report Highlights

- The City of Mississauga's Information Technology division currently uses a combination of unsupported and out-of-date systems to administer its support operations.
- The IT hardware audit action plan recommended the implementation of an adequate asset management system be established for the accurate recording, monitoring and reconciling of IT hardware (Ref: PSAB 3150).
- The Provincial Government has mandated integration of asset management principles into municipal governance and processes as key success factors in attaining reliable sustainable municipal services for future generations.
- The demand for IT Helpdesk support continues to increase as the complexity and size of the organization grows along with the number of new IT enterprise systems, interfaces and applications. The need to divert helpdesk support to self-service options is necessary to keep up with the demand without adding additional staffing resources.
- The Information Technology Service Management Solution selected under the Region of Peel's RFP# 2020-191 P follows the Information Technology Infrastructure Library best practices and allows for growth and scalability throughout the Corporation.

Background

The City of Mississauga's Information Technology (IT) division currently uses a combination of unsupported and out-of-date systems to administer its support operations. These systems include a helpdesk ticketing tool Microsoft Systems Centre Service Manager (SCSM), an in-house built IT asset management solution (IT Asset), an in-house built Knowledge Base (KB City) for knowledge management, and a fillable forms solution (InfoPath - 990) for user provisioning and IT application access.

These systems are obsolete and are no longer supported by their respective vendors and pose a security risk. Microsoft Systems Centre Service Manager (Helpdesk ticketing tool) has been in place since 2009 and reached end-of-life in 2015. The risks related to using unsupported technology include lack of future software updates, lack of security patches and technical support, potential additional professional services costs and licensing fees, risk to business continuity due to IT helpdesk downtime and increased labour costs per ticket.

The demand for IT helpdesk support continues to increase as the complexity and size of the organization grows along with the number of new IT enterprise systems, interfaces and applications. Prior to the pandemic, the number of helpdesk requests had increased at an average of 10% per year over a four (4) year period. The need to divert helpdesk support to self-service options is necessary to keep up with the demand without adding additional staffing resources.

Comments

The City's helpdesk ticketing tool, asset management solution, knowledge management solution and forms workflow solution are end-of-life, unsupported and pose a security risk. An IT hardware audit identified the current IT asset management solution as inadequate and the action plan recommended the implementation of a new enterprise system for the accurate recording, monitoring and reconciling of IT hardware assets. The audit recommendation also aligns with the mandate from the Provincial Government on the integration of asset management principles into municipal governance and processes as key success factors in attaining reliable sustainable municipal services for future generations. (Ref: City's Policy Title: Strategic Asset Management, Policy Number: 03-13-01; Ontario Regulation 588/17). Furthermore, a lean review of the IT helpdesk, IT inventory control and IT user provisioning processes was completed and the recommendations included procuring a full-featured, modernized turnkey IT Service Management (ITSM) solution.

In 2020, the Region of Peel awarded CDW Canada Corp. the contract for "Supply and Implementation of ServiceNow Information and Technology Service Management Solution" (RFP# 2020-191 P) following a public competitive tender and rigorous evaluation process. The Region of Peel's contract awarded to CDW Canada Corp. ensures that audit recommendations are met; and provides enterprise scalability throughout the Corporation.

The ServiceNow full-featured ITSM solution would provide the following key benefits for the Corporation:

A supported ITSM tool set following the Information Technology Infrastructure Library (ITIL) framework and best practices:

- An integrated Incident Management module that allows staff to submit, track, update and resolve incidents easily using a mobile-based solution.
- Mobile capability to allow field analysts to add comments or resolve helpdesk tickets from a mobile device.
- Improved IT efficiency and productivity by using repeatable best-practice processes.

Improved IT system security access, auditing and reporting:

- An integrated Service Management module that allows administrators to manage service levels and incident escalation/de-escalation procedures.
- An integrated graphical and configurable dashboard and reporting features that allow staff to monitor and report on issues, backlog, and compare service level performance against service level targets.
- An integrated Asset Management module that allows staff to track and report on all IT assets and related costs throughout their lifecycle.

Improved access to IT services for staff:

- An integrated end-user and operator self-service portal that allows City staff to access IT services via an online catalogue, submit and track incidents and service requests easily using a mobile-based solution.
- An integrated form designer that allows authorized staff to create custom end-user forms and automated custom workflows.
- An integrated Knowledge Base module that allows staff to gather, analyse, store and publish knowledge articles, frequently asked questions, and information within the organization.

By implementing and maintaining one centralized system, introducing automation and self-service, IT will remove reliance on multiple maintained systems, improve productivity and reduce the risk of data entry errors and omissions. In addition, helpdesk statistics show an average year-over-year increase of 10% in the number of helpdesk tickets, while an analysis of the helpdesk ticket type shows that 15% of tickets could be deferred if self-service tools were made available.

Broader Public Sector Service Providers clause included into the Region of Peel's RFP# 2020-191 P (Ref: Master Agreement for Technology Goods and Services, Section 14.11) allows the City to enter into a Single Source contract with CDW Canada Corp. to take advantage of the competitive pricing, favourable terms and conditions established under the Region of Peel's competitive process. In addition, there is a significant amount of time saved by leveraging the Region of Peel's RFP# 2020-191P versus pursuing a new competitive procurement.

Purchasing By-law Authorization

The recommendation in this report is made in accordance with Schedule "A" of the Purchasing By-law 374-06, Section 1 (b) (vii) "The Goods and/or Services are available from more than one source, but there are good and sufficient reasons for selecting one supplier in particular, as follows:

- "It is advantageous to the City to acquire the Goods and/or Services from a supplier pursuant to the procurement process conducted by another Public Body."

Information Technology, Legal Services and Materiel Management staff will collaborate to establish the detailed requirements, negotiate the final arrangements and prepare the contract agreements.

Financial Impact

The contract commitment will be approximately \$1,333,673.04 over a five (5) year period starting in 2021 and ending in 2026 and includes an operating expenditure of \$948,422.84 and capital expenditure of \$385,250.20, as shown in "Appendix 2 – Five-Year Contract Value Projection".

The first year costs are estimated to be \$193,094.20 exclusive of taxes and will be funded from capital account numbers PN20537 (SCSM life cycle replacement) and PN20547 (Hardware Asset Management/Tech Hub expansion 2020).

Funding for years 2 to 5 will be requested through a Budget Request in the upcoming 2022 business planning cycle. Costs in year 2 to 5 are related to licensing and vendor professional services.

Conclusion

In 2020, the Region of Peel awarded CDW Canada Corp. the contract for "Supply and Implementation of ServiceNow Information and Technology Service Management Solution" (RFP# 2020-191 P) following a public competitive tender and rigorous evaluation process.

The City must replace the current suite of unsupported and disjointed IT helpdesk tools in order to mitigate risks related to unsupported technology, satisfy audit recommendations, create cost avoidance opportunities, continue to deliver essential IT services and build back better.

This report recommends that Council approve the single source procurement of Information Technology Service Management Solution and Related Services with CDW Canada Corp. for a period of five (5) years at the estimated amount of \$1,333,673.04.

Attachments

Appendix 1: Statement of Work

Appendix 2: Five-Year Contract Value Projection



Gary Kent, CPA, CGA, ICD.D, Commissioner of Corporate Services and Chief Financial Officer

Prepared by: Ryan Lim, Manager, Information Technology, Service Management