

Open Tenders \$20,000,000 or Greater (Inclusive of GST) as at June 10, 2013

Desktop and Mobile Computer
Hardware, Software and Related
Services (RFP 924107)

Recommendation:

That the Request for Proposal as outlined in Attachment 1 of the June 10, 2013, Corporate Services report CR_228rev, be approved and that all relevant agreements be in form and content acceptable to the City Manager.

Report Summary

This report requests the Executive Committee approval on this open tender greater than \$20,000,000.

Previous Council/Committee Action

At the June 10, 2013, Executive Committee meeting, the following motion was passed:

That the June 10, 2013, Corporate Services report CR_228, be referred back to Administration to provide a business case with a comparison between in-sourcing and outsourcing for desktop and mobile computer hardware, software installation, configuration and support.

Report

As per City Administration Bylaw 12005, open tenders greater than \$20,000,000 require committee approval.

Additionally, the following report and attached summary business case in

Attachment 2 are provided, as per the request from the June 10, 2013, Executive Committee meeting.

Introduction

The City of Edmonton requires approval to move forward with a tender to procure computer hardware, software and related services. These services are required to ensure that staff has the productivity tools required to carry out their day to day functions.

A desktop lifecycle services sourcing business case was conducted by the Information and Technology Branch in the Fall 2012 to assess the most effective and efficient approach for delivering these services. The analysis indicated that in-sourcing an additional three desktop lifecycle services would best meet the business and financial requirements of the City. This would result in a final state where seven of the twelve total services are in-sourced and five are outsourced.

It is expected that the proposed service delivery model would improve client satisfaction and service levels, while reducing yearly operating costs by a projected \$126,100. More details related to these opportunities are provided in Attachment 2.

The following report focuses exclusively on the services that are being considered for in-sourcing as a result of the business case. These three services include:

- coordination of Desktop Equipment Deployment
- desktop Equipment Setup and Configuration

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- desktop Environment Support (Break-Fix).

Key Benefits from Business Case Recommendation

The goal of this recommendation to in-source portions of the computer hardware, software and related services model is to use the right resource for the right services in order to make the best use of City resources, both human and financial.

By in-sourcing key client-facing services, the City will gain better control over the level of experience and expertise of staff as well as a better chance of controlling turnover rate. It is expected that this will result in a better relationship between Information Technology and the clients, as well as increased client satisfaction with services provided by Information Technology.

Communication with clients is more efficient and effective when performed using internal staff as they are more familiar with the City's environment, Information and Technology standards and processes as well as client challenges. For the same reason, it is more efficient to use internal staff to coordinate Information Technology-related activities directly with customers.

Tools are currently being implemented to enable client self-service and automated software distribution as it relates to add-on software requests. Once these tools are operational, the requirement for onsite client visits for ad hoc software installations will be

dramatically reduced and most of these requests will be dealt with from a central control centre. This will allow the City to satisfy client demands with a lower contingent of staff.

In-sourcing also reduces potential security risks by having internal staff deal with information on the client's devices as well as within the client's work area.

Financial Comparison of Alternatives

The following table outlines the total yearly cost of providing the three above services under each delivery model (outsourced versus in-sourced services):

Services	Outsource Alternative	In-source Alternative
Coordination of Desktop Equipment Deployment	\$381,250	\$319,250
Desktop Equipment Setup and Configuration	\$118,750	(*)\$175,250
Desktop Environment Support (Break-Fix)	\$803,100	\$682,500
TOTAL	\$1,303,100	\$1,177,000

(*) Please note that this in-sourced service provides an additional service relating to training of staff receiving new equipment.

The variance is \$126,100 in favor of in-sourced services.

Maintaining Service Levels During and After Transition

Expertise regarding the City's information technology infrastructure lies primarily with internal staff. Staff members develop an understanding of the City's technical environment, as well as how technology is applied and used by the business. This knowledge of the City's environment is further complemented by external service providers' knowledge regarding new technologies being gradually accepted across the information technology industry, but not yet present at the City. These external service providers usually share this information freely with City staff to assist in making key decisions. Once these decisions are made, the City sets up agreements to bring the vendors' expertise to its internal staff who later use this newly acquired knowledge to adapt and implement the new technology in a way that satisfied City business requirements. This collaboration between external service providers and internal staff is continually leveraged to best satisfy the City's requirements.

The service delivery model and staffing levels recommended as per the attached business case (Attachment 2) will provide the appropriate resources to meet the service needs of the client areas. As a contingency, the Desktop and Mobile Computer Hardware, Software and Related Services Request for Proposal includes a section regarding professional services, which allows the Information Technology Branch to bring in additional desktop services assistance as required to assist

with busy periods if necessary.

External service providers deal directly with hardware and software suppliers, so they are aware of any exceptional supply circumstances that could impact service delivery, and therefore, they can modify the schedule by coordinating with the clients directly. Additionally, these providers have the necessary warehouse space to store large quantities of equipment. For these reasons, all direct procurement services will remain outsourced.

Conclusion

The merits of this recommendation are not based solely on cost savings. Our analysis clearly demonstrates that insourcing key client facing services will enhance service levels provided and improve client satisfaction. Internal staff will have a better understanding of the City's environment, including knowledge of particular business areas and their operational needs (peak periods, business drivers and needs, etc). Internal staff will be able to build relationships with customers and gain insights that will enhance the Information Technology Branch's effectiveness and make us a more effective partner with all City Departments.

Policy

City Administrative Bylaw 12005,
Administrative Directive A1439B -
Purchasing of Goods, Services and
Construction

Corporate Outcomes

Transforming Edmonton through
Organizational Excellence

- The City of Edmonton delivers valued, quality, cost-effective services to its citizens.

Attachments

1. Open Tenders \$20,000,000 or Greater (Inclusive of GST) as at June 10, 2013
2. Sourcing of Desktop Lifecycle Services Business Case Summary