



Report to: General Committee

Date Report Authored: March 21, 2016

SUBJECT: Award of 047-S-16 Joint Portal Hosting and Managed Services

PREPARED BY: Nasir Kenea, Chief Information Officer, Ext. 4733
Rosemarie Patano, Senior Construction Buyer, Ext. 2990

RECOMMENDATION:

- 1) THAT the report entitled “Award of 047-S-16 Joint Portal Hosting and Managed Services” be received;
- 2) THAT the contract for Joint Portal Hosting and Managed Services P-15-118 through the Region of York be awarded to the sole bidder, Compugen Inc., in the total amount of \$1,550,076 inclusive of HST for a five (5) year term;
 - a. Year 1: \$303,751 inclusive of HST
 - b. Year 2: \$306,834 inclusive of HST
 - c. Year 3: \$309,965 inclusive of HST
 - d. Year 4: \$313,147 inclusive of HST
 - e. Year 5: \$316,379 inclusive of HST
- 3) THAT the contract for the Joint Portal Hosting and Managed Services be shared equally (50/50) between the Regional Municipality of York and the City of Markham on 50% cost sharing basis;
- 4) THAT Markham’s share of the contract for Joint Portal Hosting and Managed Services in the total amount of \$775,038.00 inclusive of HST be funded annually from the Computer Software Agreement account (account # 400-400-5361);
 - a. Year 1: \$151,876 inclusive of HST
 - b. Year 2: \$153,417 inclusive of HST
 - c. Year 3: \$154,982 inclusive of HST
 - d. Year 4: \$156,573 inclusive of HST
 - e. Year 5: \$158,190 inclusive of HST
- 5) THAT a purchase order in the amount of \$775,038 inclusive of HST be issued to Regional Municipality of York to cover the City’s 50% contribution of the Joint Portal Hosting and Managed Services;
- 6) THAT this report be taken to March 21st, 2016 Council meeting;
- 7) AND THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

To obtain approval for a 50/50 cost sharing agreement with the Regional Municipality of York for Hosting and Managed Services related to the Joint Portal environment shared by the City and the Region.

BACKGROUND:

The City of Markham and the Regional Municipality of York (“Region”) are partners in the Joint Portal program.

In 2010, Council approved an equal cost sharing agreement between the City and the Region for the provision of hosting and managed services for the Joint Portal program for a 5 year term. The program has been successful in enabling the City and the Region to utilize a shared environment to satisfy development, operational and maintenance requirements. The Portal has been a critical platform for Markham to meet the expectations of its users through the deployment of over 65 interactive online services, including ability to make online payment for these services, its mobile app as well as being a valuable source of Municipal information.

The existing hosting and managed services contract with Compugen Inc. has reached the end of its term. As such, RFP P-15-118 was issued through the Region of York to obtain a qualified vendor to provide hosting and managed services for the Joint Portal infrastructure (development, test and production).

BID INFORMATION:

Advertised, place and date	ETN
Bid closing date	September 10, 2015
Number picking up documents	11
Number responding to bid	1

Note: Staff are aware that there is a limited pool of providers who are able to support

Pricing for two parts was requested: PART A – Hosting, and PART B – Managed Services.

PROPOSAL EVALUATION:

The evaluation team was comprised of staff from the City of Markham and the Region of York IT departments, with staff from the Region’s Supply and Services Department acting as the facilitator. The evaluation was for both Parts A and B of the RFP#P-15-118 and was based on pre-established evaluation criteria as detailed in the Request for Proposal: 5% submission (understanding of project), 25% qualifications & experience, 30% approach and project deliverables, 20% for site visit (hosting facility) and 20% for price, totaling 100% with resulting scores as follows:

Part A & B

Joint portal Managed Hosting Services		
Vendor	Score (out of 100)	Rank
Compugen Inc.	75.2	1

The successful demonstration of technical knowledge and system management by Compugen during the past contract term were instrumental in the decision making process to move forward with this award. Portal Managed Hosting Services is a specialized field and the current Joint portal environment has been customized with infrastructure that best meet the needs of the City and the Region in terms of operations and security. There are few firms that undertake this type of Joint Portal Managed Hosting Services, most are firms that may not have the experience or

infrastructure in place to support the Joint Portal environment. Markham and Region staff does not recommend re-issuing the RFP for this reason.

After evaluation scoring was completed, staff successfully negotiated a change in price from \$1,898,014 inclusive of HST to \$1,550,076 inclusive of HST: a 20% (approximately \$347,938) cost reduction with Compugen for the recommended award from their initial proposed price as allowed under the Purchasing By-Law, while still maintaining the same level of project deliverables. This revised price will remain firm for the five year contract term.

OPTIONS / DISCUSSIONS:

The requirement for hosting and managed services for the Joint Portal infrastructure outlined in the RFP was for two major areas: Hosting (Part A), and Managed Services (Part B). Each of these areas identified lists of detailed requirements. The services included in the proposal range from hosting the whole infrastructure, providing the necessary security protection, network and server management, backup and storage services, ticketing system support, operational monitoring, alerting and reporting.

Compugen Inc. successfully met all the mandatory technical requirements identified therein. Through their existing tenure as the provider of Hosting and Managed Services for the Joint Portal infrastructure, Compugen has demonstrated in-depth knowledge and expertise with management of the environment, as well as provided services to the Region and the City at competitive market prices. During the previous contract, term many new hardware and additional services, such as mobile app, online forms were added to the environment; however the vendor did not increase the service management fees.

With the new contract terms, the Joint Portal environment would benefit from a couple of key improvements, namely:

- **Comprehensive and automated system backup and recovery process**

The current environment backup involves manual procedure and the process takes a significant amount of time for the backup and restoring of services. The proposed solution is more reliable, the risk for any loss of data will be greatly minimized and the ability to restore the system from failure would be significantly improved.

- **Enhanced security mechanism**

There will be better data protection through aggressive analysis of all traffic accessing the portal services, in addition to protection from Distributed Denial of Services (DDoS). The City was victim to multiple DDoS attacks in the past year which had resulted in approximately 2-8 hours of service outage to the portal during each event. With the enhanced security mechanism in place, these attacks to the environment will be minimized.

Both of the above were identified as areas of risk in the previous Hosting and Managed Services contract that the City and Region had wanted to address.

In addition, the Joint Portal Infrastructure was recently refreshed with more secure and robust server and networking equipment and in turn would be more complex to maintain and support. This complexity is reflected in a marginal increase in the base managed services fees provided by

the vendor over the previous contract. Both the City and Region are confident that the vendor has the skill sets to continue managing the new infrastructure reliably. As such, Compugen is being recommended for the award of the hosting and managed services for the Joint Portal infrastructure.

In summary, the recommended solution will provide the City and the Region with hosting and managed services to ensure the Joint Portal environment continues to be operationally reliable and secure.

As was the case with the prior contract, , the Region managed the procurement process for the new Joint Portal Hosting and Managed Services contract with input from the City's Information Technology team via a Request for Proposal ("RFP"). The strong and collaborative relationship between Markham and Region of York Staff, supported by the Memorandum of Understanding in place between the two organizations, will ensure continued effective management of the joint initiative.

FINANCIAL CONSIDERATIONS AND TEMPLATE:

Item	Amount (inclusive of HST)
Computer Software Agreement account #400-400-5361 2016 budget for this item	\$ 155,135
Joint Portal Hosting and Managed Services (Markham's 50% share) inclusive of HST	
Year 1 – 2016	\$ 151,876
Year 2 – 2017	\$ 153,417
Year 3 – 2018	\$ 154,982
Year 4 – 2019	\$ 156,573
Year 5 – 2020	\$ 158,190
Budget Remaining (Year 1 – 2016):	\$ 3,259

The budget remaining will be incorporated as part of the City's year-end 2016 financial results. Budget adjustments in Years 2-5 will be addressed as part of the annual budget process and are subject to Council approval of the 2017 – 2020 operating budgets

The City of Markham will issue a Purchase Order to the Region in order to cover the City's 50% contribution of the Joint Portal Hosting and Managed Services initiative.

HUMAN RESOURCES CONSIDERATIONS:

Not Applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

The Joint Portal initiative is in line with Council strategic plan "Exceptional Service By Exceptional People" with the continued endeavour by the City to provide enhanced customer

service to its citizens. This Portal will continue to transform business processes and the way services are offered to citizens with self service capabilities at all times from anywhere, using any device.

BUSINESS UNITS CONSULTED AND AFFECTED:

Not Applicable

RECOMMENDED BY:

04/03/2016

X 

Trinela Cane
Commissioner, Corporate Services

07/03/2016

X 

Andy Taylor
Chief Administrative Officer