



STAFF REPORT ACTION REQUIRED

Contract Amendments – Temporary IT Professional Services

Date:	September 30, 2008
To:	Government Management Committee
From:	Chief Information Officer Acting Director, Purchasing and Materials Management
Wards:	All
Reference Number:	P:/2008/Internal Services/pmmd/gm08018pmmd (AFS 8567)

SUMMARY

The purpose of this report is to request authority to amend eight (8) contracts for the supply of temporary IT professional services.

The City of Toronto Municipal Code Chapter 71- Financial Control, states that if costs for a commitment exceed the original funding by more than \$500,000.00 excluding all taxes, approval must be obtained from the appropriate Standing Committee. The amendment is primarily to ensure continued processing of temporary IT professional services from various Programs and Divisions throughout the City.

RECOMMENDATIONS

The Chief Information Officer and the Acting Director, Purchasing and Materials Management recommend that the Government Management Committee grant authority to:

1. increase the following contracts each by an additional \$1,000,000.00 net of GST for the period ending October 9, 2009 with an option to renew for an additional two (2) and separate one (1) year terms:
 - a. contract 47012769 with Bevertec CST. Inc. to a new total value of \$2,500,000.00 net of GST;
 - b. contract 47012478 with TekSystems (formerly Computer Horizons) to a new total value of \$2,000,000.00 net of GST;

- c. contract 47012474 with Design Group Staffing Inc. (operating as INTEQNA) to a new total value of \$2,500,000.00 net of GST;
 - d. contract 47012477 with GSI International Consulting Group to a new total value of \$2,500,000.00 net of GST;
 - e. contract 47012476 with IT/Net Toronto to a new total value of \$2,500,000.00 net of GST;
 - f. contract 47013565 with Ian Martin Limited to a new total value of \$2,500,000.00 net of GST;
 - g. contract 47012475 with Procom Consultants Group Limited to a new total value of \$2,500,000.00 net of GST;
 - h. contract 47012473 with TES Contract Solutions Inc. (operating as The Employment Solution) to a new total value of \$2,500,000.00 net of GST; and
2. authorize and direct the appropriate officials to take the necessary action to give effect thereto.

The overall total value of amendments identified in recommendation 1 above is \$8,000,000.00 net of GST.

Financial Impact

The recommended amendments to the eight (8) contracts as listed in the Recommendations for contracted IT professional services result in an increase of \$1,000,000.00 net of GST each to the maximum upset limits as specified.

Funds required for the acquisition of contracted IT Professional Services for various City Programs' and Divisions' IT Projects as required, are available in the appropriate City Programs' 2008 Capital and Operating Budgets, and requested in the City Programs' 2009 Capital and Operating Budgets submission.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

In October 2005, the Toronto Transit Commission (TTC) issued a Request for Proposal No. P25CH05231 to establish a qualified selected group of up to eight (8) Information Technology Placement Firms to become Vendors of Record for IT professional services over a period of up to five (5) years to provide qualified resources for TTC's IT projects and short term placements.

The RFP was publicly advertised on the Commission’s web site on October 7, 2005, with a closing of December 22, 2005. Sixty-nine (69) firms expressed interest in the requirement of which fifty-one (51) firms purchased the RFP documents and twenty-three (23) proposal submissions were received. Staff in the City’s Information & Technology Division participated as an observer in the initial RFP evaluation meeting with TTC staff.

City Council, at its session of September 25, 26 and 27, 2006, granted authority for the City to enter into non-exclusive agreements with eight (8) proponents for a period ending October 9, 2009 with an option to renew for an additional two (2) and separate one (1) year terms for each contract, in an amount not to exceed \$947,368.42 net of GST.

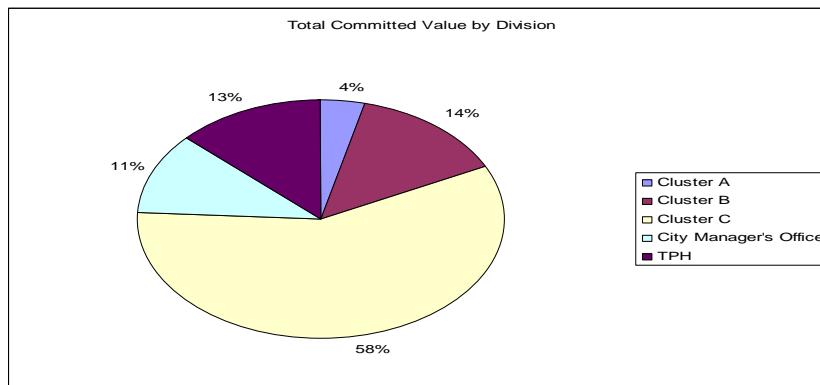
<http://www.toronto.ca/legdocs/2006/agendas/committees/adm/adm060905/it012.pdf>

ISSUE BACKGROUND

IT contractors are often required expeditiously to meet peak resource needs or to provide specialized skills that are not feasible to retain internally. Such contract positions include Project Managers, Application Developers, Systems Integrators, Quality Assurance Specialists, Systems and Business Analysts.

The TTC's Vendor of Record for IT professional services process was successfully established in 2001. It has allowed the TTC to realize highly competitive pricing for these services while reducing administrative costs and improving the turnaround time to procure temporary IT contractors. The City adopted the TTC's successful IT Vendor of Record approach in 2007 to leverage their procurement effort and pricing advantage associated with joint volumes of work. Adopting this process has eliminated the need for Purchasing and Material Management staff to issue 85 individual RFPs to date. Each individual RFP would have had to be on the street for a minimum of fifteen (15) calendar days. Adopting the TTC's process reduces the time each RFP has to be on the street to a minimum of 48 hours and also significantly reduces the evaluation time. This results in financial savings and increased productivity by getting the necessary resources on the project quicker.

The following table shows the summary of committed contracted resources:



COMMENTS

The Information & Technology Division has determined that approximately 75 temporary professional resources have been acquired from the eight (8) vendors of record since January 2007 for the support of various projects such as 3-1-1, Elections, Toronto Community Health Information System, ITIL, Toronto Meeting Management Information System, and Website Re-design. Seven (7) of the eight (8) contracts have been amended by an additional \$500,000.00 net of GST. Furthermore, various City Programs and Divisions forecasted another 44 resources due to the additional requirements in support of various projects such as Elections, Lobbyist Registry, Building Division Technology Enhancement, MLS Enhanced Computer Technologies Project, Asset Inventory and Management Improvement.

In order to continue to provide best value to the City, it is recommended that authority be granted to amend the total value of each of the eight (8) contracts by \$1,000,000.00 net of GST from a grand total value of \$11,500,000.00 net of GST to a new grand total value of \$19,500,000.00 net of GST for the period ending October 9, 2009 with an option to renew for an additional two (2) and separate one (1) year terms. Staff in the Contract Management Office of the Information & Technology Division will continue to manage these contracts.

All requests for IT professional resources are subject to the IT Acquisition and Asset Management Process. Once the request is approved by the I&T Division, the work assignment process will proceed as follows:

- for each specified contract assignment, the IT vendors of record will be contacted by staff in the I&T Division's Contract Management Office with a request for Technical Assistance by issuing an Information Technology Temporary Professional Services Requisition - the IT Placement Firm shall, within forty-eight hours unless otherwise agreed, provide a maximum of three (3) candidates for the proposed assignment along with a detailed resume and proposed hourly rate for each candidate. Each work assignment shall be treated separately. Resumes will be reviewed by I&T Division staff and the requesting Division's staff. Interviews will be conducted with the best-qualified candidates. Once a candidate is selected, a contract release order will be issued to the firm representing the successful candidate.
- upon completion of the assignment, the I&T Division's Contract Co-ordinator, in conjunction with the hiring business unit manager, will conduct a final performance review on the contractor that will be retained on file for future reference. A copy of the performance review will be supplied to the IT Vendor of Record firm. The requested contract amounts for the proposed IT temporary professional services vendors of record are upset limits. The cumulative contract amounts actually awarded these vendors will be assessed annually to determine whether a reallocation of contract limits is warranted. While it is expected that most of the City's IT temporary professional services contract work would be assigned to these vendors of record, specialized work assignments may still be procured through separate RFPs or RFQs.

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SIGNATURES

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