



## STAFF REPORT ACTION REQUIRED

### Contract Amendments – Temporary IT Professional Services

<b>Date:</b>	September 28, 2009
<b>To:</b>	Government Management Committee
<b>From:</b>	Chief Information Officer Director, Purchasing and Materials Management
<b>Wards:</b>	All
<b>Reference Number:</b>	P:/2009/Internal Services/pmmd/gm09029pmmd (AFS #10516)

#### **SUMMARY**

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This report requests that the Government Management Committee authorize staff to amend the value and end dates of blanket contracts 47013565 (Ian Martin), 47012475 (Procom), 47012477 (GSI), 47012769 (Bevertec), 47012474 (Inteqna), 47012476 (IT/Net), 47012473 (TES), and extend the end date only of contract 47012478 (TekSystems), including the amendment of such legal agreements, for the provision of temporary IT professional services until new vendors are in place to provide such services.

The end date extension of the eight (8) agreements and blanket contracts identified above should be from October 1, 2009 to September 30, 2010 or until new vendors have been selected through a new call, for the acquisition of temporary IT professional services.

The amendments are requested to ensure temporary IT professionals continue to be available to provide the required skills and services for existing and new projects approved as part of the City's capital process. This will allow completion of such projects in a timely fashion and will minimize any impact that may arise if IT professionals are no longer available.

In this report, all dollar amounts are net of Goods and Services Tax (GST), unless the report has indicated otherwise.

## **RECOMMENDATIONS**

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

1. Staff to increase the blanket contract number 47013565 and the legal agreement with Ian Martin Limited for the provision of temporary IT professional services in the amount of \$2,500,000, by \$2,500,000 to \$5,000,000 net of GST and extend the end date of October 1, 2009 to September 30, 2010.
2. Staff to increase the blanket contract number 47012475 and the legal agreement with Procom Consultants Group Limited for the provision of temporary IT professional services in the amount of \$2,500,000, by \$2,000,000 to \$4,500,000 net of GST and extend the end date of October 1, 2009 to September 30, 2010.
3. Staff to increase the blanket contract number 47012477 and the legal agreement with GSI International Consulting Group for the provision of temporary IT professional services in the amount of \$2,500,000, by \$2,000,000 to \$4,500,000 net of GST and extend the end date of October 1, 2009 to September 30, 2010.
4. Staff to increase the blanket contract number 47012769 and the legal agreement with Bevertec CST Inc. for the provision of temporary IT professional services in the amount of \$2,500,000, by \$1,000,000 to \$3,500,000 net of GST and extend the end date of October 1, 2009 to September 30, 2010.
5. Staff to extend the blanket contract number 47012478 and the legal agreement with TekSystems (formerly Computer Horizons) from October 1, 2009 to September 30, 2010.
6. Staff to increase the blanket contract number 47012474 and the legal agreement with Design Group Staffing Inc. (operating as INTEQNA) for the provision of temporary IT professional services in the amount of \$2,500,000, by \$1,000,000 to \$3,500,000 net of GST and extend the end date of October 1, 2009 to September 30, 2010.
7. Staff to increase the blanket contract number 47012476 and the legal agreement with IT/Net Toronto for the provision of temporary IT professional services in the amount of \$2,500,000, by \$2,000,000 to \$4,500,000 net of GST and extend the end date of October 1, 2009 to September 30, 2010.
8. Staff to increase the blanket contract number 47012473 and the legal agreement with TES Contract Solutions Inc. (operating as The Employment Solution) for the provision of temporary IT professional services in the amount of \$2,500,000, by

\$1,000,000 to \$3,500,000 net of GST and extend the end date of October 1, 2009 to September 30, 2010.

9. The Chief Information Officer to increase the value of such blanket contracts, if it becomes necessary, by an additional \$500,000 for each of the eight blanket contracts by way of a purchase order amendment for a total not to exceed \$4,000,000 net of GST.
10. Direct the appropriate officials to take the necessary action to give effect thereto.

The overall total value of amendments (\$11,500,000) and potential increase by way of purchase order amendments (\$4,000,000) identified in the above noted recommendations is \$15,500,000.00 net of GST.

### **Financial Impact**

The recommended amendments to the eight (8) blanket contracts and legal agreements listed in the recommendations 1 through 8 above will result in an increase of \$11,500,000 net of GST to a maximum upset limit as specified for each vendor with an option as identified in recommendation 9 above to extend, if it becomes necessary, each of the eight (8) blanket contracts for an additional \$500,000 each by way of a purchase order amendment for a potential additional value of \$4,000,000 for a grand total of \$15,500,000 net of GST.

Funds required for the acquisitions of temporary IT professional services for various IT projects are included in the appropriate City Programs' and Divisions' 2009 capital and operating budgets, and requested in the appropriate 2010 City Programs' and Divisions' capital and operating budgets.

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

### **DECISION HISTORY**

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 temporary IT professional services for a period ending October 1, 2009 with an option to renew for an additional two (2) separate one (1) year terms as a result of a Request for Proposal No. P25CH05231 issued by the Toronto Transit Commission (TTC).

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

Government Management Committee, at its meeting held on October 21, 2008, granted authority for the City to amend the value of the existing eight (8) contracts for temporary IT professional services for a period ending October 1, 2009.

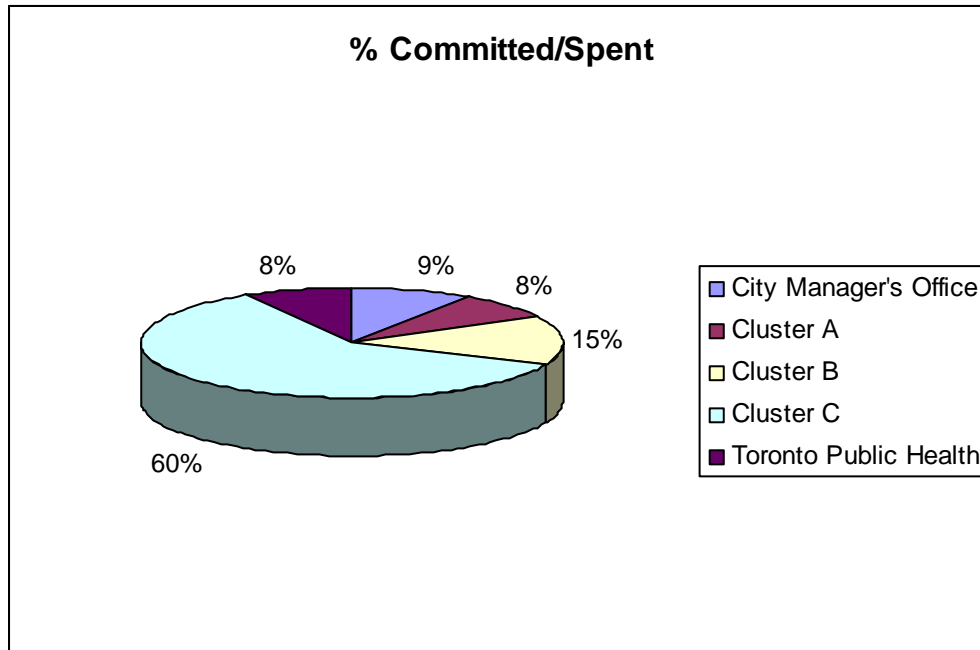
## **ISSUE BACKGROUND**

Since 2007 the City has leveraged the competitive pricing from the TTC's approved list of vendors for temporary IT professionals, reducing administrative cost, increasing productivity and improving the turnaround time to procure temporary IT professionals for highly critical projects such as 311, web-redesign, FPARS, disaster recovery program, and the election projects. These temporary IT professionals are often required to assist staff in key projects, providing specialized skills and additional help where demand is exceeding staff capacity and where it is not feasible to retain staff internally to ensure project deliverables are met. These temporary IT professionals include project managers, application developers, systems integrators, quality assurance specialists, systems and business analysts.

With the increase number of capital projects and the need for specialized and skilled resources to assist the City in ensuring projects are completed on time and with the least amount of impact on operations, there is a need to increase the value of existing blanket contracts and extend them for a period of twelve (12) months until September 30, 2010. This will ensure the City can continue with on-going projects and will allow the City time to issue its own Request for Proposals to expand on the temporary IT professional skill sets required to assist the City in implementing new emerging technologies as part of the approved City's ten (10) year capital budget.

## **COMMENTS**

To date approximately 105 temporary IT professionals have and are assisting the City on various projects. It is expected that over the next year a number of additional temporary IT professionals will be required to assist City divisions to implement solutions that would improve performance and efficiencies to their business. To date, 94% of the existing contracts have been committed or spent. In order to continue to provide best value to the City it is necessary to increase the value of the existing eight (8) blanket contracts from \$19,500,000 to \$35,000,000 net of GST which includes all previously requested increases and the increases identified in this report. The following table shows the percentage by Clusters, City Manager's Office and Toronto Public Health.



While the TTC list of vendors has proven to be successful, the requirements of new emerging technologies, eServices strategy, business process engineering and upgrades to the City's infrastructure, which will be implemented over the next five (5) years will require additional skills to assist the City and ensure that the City moves forward in improving efficiencies in administration so that staff can devote their time in more important matters with the same number of resources. Therefore, the Information & Technology division is currently developing its own Request for Proposals and meeting with various divisions to identify the appropriate skill sets required to ensure approved Capital projects can be implemented effectively and efficiently with the assistance of temporary IT professionals having the required specialized skill sets to accelerate the completion of project deliverables.

The Information & Technology division expect to have this Request for Proposals ready to be issued early in 2010. Therefore it is requested that the existing eight (8) vendors currently providing services to the City under the TTC-awarded vendors list be extended for a period of twelve (12) months, in accordance with the existing option to extend, or until new vendors are in place, whichever comes first, and to increase the value from \$19,500,000 to \$35,000,000.

The process to acquire these temporary IT professionals will remain the same.

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## SIGNATURE

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