



STAFF REPORT ACTION REQUIRED

Contract Amendments – Temporary IT Professional Services

Date:	June 2, 2010
To:	Government Management Committee
From:	Chief Information Officer Director, Purchasing and Materials Management
Wards:	All
Reference Number:	P:/2010/Internal Services/pmmd/GM10023pmmd (AFS # 12307)

SUMMARY

This report requests that the Government Management Committee authorizes staff to amend seven (7) contracts including the amendment of such legal agreements, to cover for any potential extensions of existing temporary IT professional services to ensure completion of such projects in a timely fashion and to minimize any impact that may arise if IT professionals are no longer available.

According to the City of Toronto Municipal Code Chapter 71 – Financial Control, 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. All seven (7) contracts have been previously amended by more than \$500,000.00 excluding all taxes.

RECOMMENDATIONS

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 \$5,500,000, by \$1,000,000 to \$6,500,000 net of all taxes.

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 \$5,000,000, by \$500,000 to \$5,500,000 net of all taxes.
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 \$5,000,000, by \$500,000 to \$5,500,000 net of all taxes.
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 \$4,000,000, by \$500,000 to \$4,500,000 net of all taxes.
5. 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 \$4,000,000, by \$500,000 to \$4,500,000 net of all taxes.
6. 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 \$5,000,000, by \$500,000 to \$5,500,000 net of all taxes.
7. 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 \$4,000,000, by \$500,000 to \$4,500,000 net of all taxes.
8. Direct the appropriate officials to take the necessary action to give effect thereto.

The overall total value of amendments identified in the above noted recommendations is \$4,000,000.00 net of all taxes.

Financial Impact

The recommended amendments to the blanket contracts and legal agreements listed in the recommendations 1 through 7 above will result in an increase of \$4,000,000 net of all taxes to a maximum upset limit as specified for each vendor for a total value of \$4,000,000 net of all taxes (\$4,070,400.00 net of HST Recoveries).

Funds required for any potential extensions of existing temporary IT professional services for various IT projects are included in the appropriate City Programs' and Divisions' 2010 capital and operating budgets, and will be requested in the appropriate 2011 City Programs' and Divisions' capital and operating budgets. An estimated breakdown of the funding coverage is provided below:

	2010 (projected)	2011 (projected)	Total
CIT030	\$105,374	-	\$105,374
CIT045	\$720,143	\$19,241	\$739,384
CIT046	\$1,936,585	\$274,811	\$2,211,396
CIT047	\$260,645	\$17,355	\$278,000
CIT702	\$139,745	-	\$139,745
I&T TOTAL	\$3,162,492	\$311,407	\$3,473,899
Divisional	\$ 600,101		\$ 600,101
Total	\$3,762,593	\$ 311,407	\$4,0740,000

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.

<http://www.toronto.ca/legdocs/mmis/2008/gm/bgrd/backgroundfile-16135.pdf>

Government Management Committee, at its meeting held on October 14, 2009, granted authority for the City to amend the value and end date of the existing eight (8) contracts for temporary IT professional services for a period ending September 30, 2010.

<http://www.toronto.ca/legdocs/mmis/2009/gm/bgrd/backgroundfile-24081.pdf>

ISSUE BACKGROUND

The City is currently working on a Request for Expression of Interest (REOI) to replace the existing roster list of vendors providing IT temporary professional services. The Information & Technology Division anticipated the release of this REOI early in the year with an award in June 2010, however, the development of such REOI has taken longer than projected. The award of the new roster list may not be in place until September, 2010, therefore, in order to ensure the ability to extend existing services, additional value is being requested now since there will be no other avenue to request any increase until after the municipal election.

This will ensure the City can continue with on-going projects and will allow the City time to issue its own REOI to assist the City in implementing new emerging technologies as part of the approved City's ten (10) year capital budget.

COMMENTS

It is anticipated that there may be a need to extend some of the existing services, prior to the September 30, 2010 expiry, to allow for completion of critical projects.

The current vendor list will no longer be used to request IT temporary professional services. Separate Request for Proposals (RFP) will be issued to the market for any new requests until a new roster list of vendor is in place through the issuance of the REOI.

The Information & Technology division expect to have the REOI issued in the second quarter of 2010 and awarded in the third quarter of 2010. Therefore it is requested that authority be provided to increase the value of the existing blanket contracts for vendors identified in the recommendation, if necessary, to extend existing services from \$35,000,000 to \$39,000,000.

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SIGNATURE

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