Use of the Province of Ontario's Vendor of Record for Procurement of Information Technology Research Subscription Services

**Date:** July 25, 2014

**To:** Government Management Committee

**From:** Chief Information Officer
Acting Director of Purchasing and Materials Management

**Wards:** All

**Reference Number:** P:\2014\Internal Services\I&T\Gm14004I&T (AFS #19875)

**SUMMARY**

The purpose of this report is to seek authority to utilize the Province of Ontario's Master Agreement for IT Research Subscription Services dated July 1, 2014 for Vendors of Record #OSS-00437059 ("VOR"), which is the result of a competitive procurement process, and to enter into separate agreements with the Vendor's of Record, for the supply of online information and technology research subscription services. Use of the Province of Ontario VOR has been made available on an optional use bases to Provincially Funded Organizations such as municipalities, agencies, hospitals and school boards. The VOR allows for a one (1) year agreement to be entered into with qualified vendors at any point between, July 1, 2014 through June 30, 2015 with options to renew.

Benefits of utilizing the VOR include: access to the same market rates established by the Province's Master Agreement for the provision of information technology research subscription services; time and cost avoidances in acquiring these services independently and managing the VOR, timely access to a repository of online information and technology research, and agility in obtaining the most relevant blend of research subscription services over the terms of the VOR.
RECOMMENDATIONS

The Chief Information Officer and the Acting Director of Purchasing and Materials Management recommend that:

1. City Council grant authority to enter into an agreement in the form of a "Provincially Funded Organization Notice" with each qualified vendor from the Province of Ontario Vendor of Record for IT Research Subscription Services that acknowledges and sets out the terms of the delivery of services to municipalities, agencies, schools and hospitals via the Province's Master Agreement and,

2. City Council grant authority to enter into separate non-exclusive one (1) year agreements, satisfactory to the City Solicitor, with each of the qualified vendors resulting from the Province of Ontario Vendor of Record for IT Research Subscription Services at any time between the date of approval and the end of the initial VOR period of June 30, 2015, for the amount of $233,000 with the option to renew for one (1) additional year term, for the amount of $245,000 ending no later than June 30, 2017, for subscription costs, excluding all taxes.

Financial Impact

Information and Technology Research Subscription Services for Year 1 of the VOR will be funded from the Information and Technology Division's 2014 and 2015 operating and capital budget from: IT1269 (operating); IT1270 (operating), and CIT046-06-01CE 0438 (capital).

Should the option year be exercised then additional funds, if needed, will be requested out of the authorized amount of $245,000 plus HST in the 2015-2016 Capital Budget and 2015-2016 Operating Budget submissions. The funding requests for the option year will be allocated after a review of the subscription services, which may vary from the funding level in Year 1.

Access to the Province's VOR for information and technology research and advisory services can be made available to other City Divisions, and will be managed and coordinated by the Information & Technology Division. Other Divisions making use of the service will be charged back for their costs by the Information & Technology Division.

The primary financial advantage to using the Provincial Vendor of Record arrangement is guaranteed access to competitive market pricing for Canadian Public Sector customers as documented in the Province of Ontario's Master Agreement with all its Vendors of Record. Additionally, under the terms of the VOR arrangement, there is no guarantee of the dollar value or volume of work to be assigned to any Vendor, allowing for the utmost flexibility in the use of services.
The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

ISSUE BACKGROUND

Since 2006 the City of Toronto has been in receipt of information and technology research subscription services. Initially this was through the issuance of a Request for Proposal by the City of Toronto with a contract awarded for three (3) years, with the option to renew for two (2) additional separate one (1) year periods. The agreement was limited to $500,000 or 5 years. The final year of the agreement ended on September 31, 2011.

In the spring of 2011 the Province of Ontario, as represented by the Minister of Government Services, issued a Request for Proposals (RFP) for information technology research subscription services for a term of one (1) year with the option to renew for up to an additional two (2), separate one (1) year periods. As a result of this RFP, on April 22, 2011, the Province of Ontario entered into an agreement with four (4) successful proponents for the supply of information technology research services. This VOR was then made available to all Ontario municipalities, agencies, schools and hospitals.

In 2011 the City of Toronto entered into an agreement with the Province of Ontario to make use of this VOR. Agreements were entered into with vendors on the VOR for the initial one year and then for the additional optional 2 years, ending in April 2014.

In January 2014 the Province of Ontario issued a Request for Proposal for the provision of information and technology research subscription services. As of July 1, 2014, the Province of Ontario has subsequently issued a new VOR for Information and Technology Research and Advisory Services. Five (5) vendors qualified for the VOR. The VOR provides for an initial one (1) year of subscriptions, with an additional optional four (4) separate one (1) year terms, for a total of 5 years. Once again the VOR was made available to “Provincially Funded Organizations” such as municipalities, agencies school boards and hospitals.

The Information & Technology Division would like to make use of the 2014 Province of Ontario’s VOR for these information and technology research subscription services. Since there is no guarantee of the dollar value or volume of work to be assigned to any Vendor under this VOR arrangement, the City of Toronto has the flexibility to determine the most relevant blend of research subscription services throughout the term of the VOR, depending on priorities and needs.
COMMENTS

Since 2006 the Information & Technology Division has been utilizing subscriptions for information technology (IT) research and advisory services. The subscription services includes a variety of non-biased objective research reports and analysis that focus on IT related interests and topics such as: IT business programs research; IT related consumer technology and trends; IT performance measures and metrics; IT risk management; IT benchmarking; IT security; IT resource planning and management; IT recruitment and staffing; Vendor knowledge; and IT purchasing decisions. The services may also include access to the Vendor's analysts/report authors in order to clarify or expand on reports, review documents, answer questions, and provide strategic analysis on IT topics.

Currently IT staff utilize approximately 3,500 reports and toolkits annually and have utilized the opportunity to have discussions with over 45 analysts/authors to expand on research offerings and draw on analyst expertise.

The VOR arrangement also facilitates the procurement of information and technology research and advisory services by reducing the effort and elapsed time required for procurement. The outcome of the Province's VOR RFP is known, and includes top IT research companies in terms of market share, size, and quality of research.

The use of a variety of vendors from the Province's Vendor of Record arrangement will provide more comprehensive research coverage of IT subject and business areas as different vendors concentrate on varying research topics and take differing operational and strategic approaches. A variety of opinions on different IT topics also reduces reliance on a single point of view from one vendor. The arrangement is also flexible and provides the ability to call on a variety of research services in a timely manner, over the course of the agreements, based on specific needs.

Access to effective and timely strategic and comparative IT industry analysis and research is an important information resource to address both short and long-term IT issues, IT operations and projects at the City. Independent research on industry practices and technology trends is also essential to support continuous improvement of City IT service delivery, for efficiencies, and ultimately to enable improved City programs and services to the public.
The Legal Services Division has reviewed the Province's VOR arrangement and the "Provincially Funded Organization Notice" and concluded that it is very comprehensive and would be acceptable for the City to use. This would include allowing the City of Toronto to utilize the VOR as needed and enter into separate agreements with each of them.

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SIGNATURE

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