



BID AWARD PANEL CONTRACT AWARD

Award of Negotiable Request for Proposal Call No. 3405-19-0086 to Deloitte LLP for a Managed Security Services Provider

Date: July 28, 2020
To: Bid Award Panel
From: Chief Procurement Officer
Wards: All

RECOMMENDATIONS

The Chief Procurement Officer recommends that the Bid Award Panel grant authority to award the following contract:

Call Number:
NRFP No. 3405-19-0086

Description:

To procure a Managed Security Services Provider to deliver comprehensive security operational and monitoring services of the City's network environment and all its digital assets to prevent, detect, respond, mitigate and recover from cyber threats and events for a period of three (3) years, with the option to extend for two (2) additional one (1) year terms.

Recommended Proponent:

Deloitte LLP

Contract Award Value:

\$12,863,717.17 net of all applicable taxes and charges
\$14,536,000.40 including HST and all applicable charges
\$13,090,118.59 net of HST recoveries

Contract is expected to start on August 4th, 2020 and end on August 31st, 2023.

Option Year 1 (September 1, 2023 to August 31, 2024)

\$4,000,000.00 net of all applicable taxes and charges
\$4,520,000.00 including HST and all applicable charges
\$4,070,400.00 net of HST recoveries

Option Year 2 (September 1, 2024 to August 31, 2025)

\$3,136,282.83 net of all applicable taxes and charges

\$3,543,999.61 including HST and all applicable charges

\$3,191,481.41 net of HST recoveries

The total potential contract award identified in this report including all optional years is \$20,000,000.00 net of all applicable taxes and charges, \$22,600,000.00, including all applicable taxes and charges. **The total potential cost to the City including all optional years is \$20,352,000.00 net of HST recoveries.**

FINANCIAL IMPACT

The City is expected to finalize negotiations with Deloitte LLP on included services and pricing by July 31, 2020. The final contract award value is yet to be determined, but will not exceed \$22,600,000.00 including a contingency and all applicable taxes and charges, \$20,000,000.00 including contingency, net of all applicable taxes and charges. The total potential cost to the City is \$20,352,000.00 including contingency, net of HST recoveries, as shown in Table 1.

Funding in the amount of \$2,574,918.58 net of Harmonized Sales Tax recoveries for 2020 of the contract is included in the Technology Services Division's Council approved 2020 Capital Budget. The future year funding requirement of \$17,777,081.42 net of Harmonized Sales Tax recoveries will be requested in the 2021-2025 Operating Budget submissions of the Office of the Chief Information Security Officer. If the full amounts requested for future years are not approved, funding will need to be accommodated within the overall approved budgets of the Office of the Chief Information Security Officer and/or Technology Services. The financial impacts for years 2020 to 2025 are shown in Table 1.

Table 1: Financial Impact Summary

Year	Category/WBS Element or Cost Centre				TOTAL (net of Harmonized Sales Tax Recoveries)
	Implementation & Training Costs	Professional Services	Subscription Costs	Contingency	
	CIT046-13-02	CIT046-13-02	CIT046-13-02	CIT046-13-02	
2020	\$190,472.33	\$1,231,069.41	\$1,128,264.00	\$25,112.83	\$2,574,918.58
Operating Funding Requirement		Professional Services CY1001	Subscription Costs CY1001	Contingency CY1001	
2021	\$0.00	\$2,634,617.79	\$1,140,807.96	\$294,974.26	\$4,070,400.00
2022	\$0.00	\$2,641,971.14	\$1,153,352.93	\$275,075.94	\$4,070,400.00
2023	\$0.00	\$2,664,298.13	\$1,237,288.65	\$168,813.23	\$4,070,400.00
2024	\$0.00	\$2,701,984.94	\$1,290,329.01	\$78,086.04	\$4,070,400.00
2025	\$0.00	\$1,495,481.41	\$0.00	\$0.00	\$1,495,481.41
Total (net of HST Recoveries)	\$190,472.33	\$13,369,422.82	\$5,950,042.54	\$842,062.30	\$20,352,000.00

The Chief Financial Officer and Treasurer has been provided the financial impacts associated with this program for review as part of the 2021 budget process.

CALL SUMMARY

Call Issued: May 15, 2019

Call Closed: July 3, 2019

Number of Addenda Issued: Five (5)

Number of Bids: Thirteen (13)

Table 2: Summary of Proposals Received for Negotiable Request for Proposal No. 3405-19-0086

Bell Canada**
Capgemini***
Dell***
Deloitte LLP
Forecight**
Herjavec**
Infosys**
ISA**
LTI**
MNP*
Stratejm Inc**
Trustwave*
Wipro**

*Proposals did not pass Stage 1- Mandatory Submission and Solution Requirements.

** Proposals did not meet the minimum threshold of fourteen (14) out of twenty (20) in Stage 2A - Evaluation of Organizational Capabilities.

*** Proposals did not meet the minimum thresholds of thirteen (13) out of twenty (20) in the Functional Requirements Section and thirteen (13) out of twenty (20) in Stage 2B– Evaluation of Functional and Technical Requirements.

DIVISION CONTACTS

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COMMENTS

For the recommended contract award, the following requirements have been met:

- a. The firm recommended for award is the highest scoring proponent based on the evaluation criteria included in the call and meeting the requirements of the call;
- b. the appropriate Division has reviewed submissions and found the price to be reasonable, within available budget and concurs with the recommendation;
- c. the total contract value is less than \$20 million dollars (excluding applicable taxes) and the contract term is:
 - 1. for a contract funded by the operating budget, 5 years or less including any option years; or
 - 2. for a contract funded by the capital budget, within the projected term of the capital funding for the project as set out in the capital budget,

being within the authority of the Bid Award Panel;

- d. there are no material written objections to the award;
- e. the call document was advertised on the City's internet website and bids or proposals were opened publicly; and
- f. the Fair Wage Office confirms the recommended firm understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

Additional details and information for the above calls are on the file in the Purchasing and Materials Management Division.

SIGNATURE

Michael Pacholok
Chief Procurement Officer