



BID AWARD PANEL CONTRACT AWARD

Award of Ariba Doc. No 2696137341 to IBM Canada Ltd. for the non-exclusive supply of standard and enhanced Maintenance Support and Subscription Services for Red Hat Linux OS for the Technology Services Division.

Date: December 17, 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:

Solicitation Number:

Request for Quotation (RFQ), Ariba Doc No. 2696137341

Description:

For the non-exclusive supply of standard and enhanced Maintenance Support and Subscription Services for Red Hat Linux OS

Recommended Supplier:

IBM Canada Ltd.

Contract Award Value:

\$702,179 USD net of all applicable taxes and charges
\$793,462 USD including HST and all applicable charges
\$714,537 USD net of HST recoveries

Contract is expected to start on January 1, 2021 and end on December 31, 2025.

FINANCIAL IMPACT

The total contract award identified in this report is \$793,462 USD (\$1,015,630 CAD) including all applicable taxes and charges. The cost to the City is \$714,537 USD (\$914,607 CAD) net of HST recoveries. \$1USD = \$1.28 CAD exchange rate (December 2020).

Funding has been included in the 2021 staff recommended Operating Budget for Technology Services and additional funding will be requested in the 2022-2025 Operating Budget Submissions for Technology Services. Funding has also been included in the 2021 staff recommended Capital Budget and 2022-2030 Capital Plan for Technology Services. Funding details are provided in Table 1 below:

Table 1: Financial Impact Summary of Recommended Contract

Period	Cost Centre / Cost Elements	Total USD (Net of HST recoveries)	Total CAD (Net of HST recoveries)
January 1 2021 to December 31 2021	CIT702-08-03 / 3420	\$12,211 USD	\$15,630 CAD
	IT1010 / 4474	\$130,696 USD	\$167,291 CAD
January 1 2022 to December 31 2022	CIT702-08-03 / 3420	\$12,211 USD	\$15,630 CAD
	IT1010 / 4474	\$130,696 USD	\$167,291 CAD
January 1 2023 to December 31 2023	CIT702-08-03 / 3420	\$12,211 USD	\$15,630 CAD
	IT1010 / 4474	\$130,696 USD	\$167,291 CAD
January 1 2024 to December 31 2024	CIT702-08-03 / 3420	\$12,211 USD	\$15,630 CAD
	IT1010 / 4474	\$130,696 USD	\$167,291 CAD
January 1 2025 to December 31 2025	CIT702-08-03 / 3420	\$12,211 USD	\$15,630 CAD
	IT1010 / 4474	\$130,696 USD	\$167,291 CAD
Grand Total		\$714,537 USD	\$914,607 CAD

SOLICITATION SUMMARY

Solicitation Issued: November 3, 2020
Number of Addenda Issued: One (1)
Number of Bids: Four (4)

Solicitation Closed: November 18, 2020

Table 1: Summary of Bids Received for RFQ, Ariba Doc. No. 2696137341 including bid price:

Supplier Name	Bid Price (including H.S.T.)
IBM Canada Limited	\$793,462 USD
OnX Enterprise Solutions Ltd.	\$811,129 USD
Qnovate Solutions Inc.	\$928,709 USD
The KTL Group, Inc.	\$980,304 USD

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 lowest Supplier meeting specifications or to the highest scoring Supplier based on the evaluation criteria included in the Solicitation and meeting the requirements of the solicitation;

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 Solicitation 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 Solicitations are on the file in the Purchasing and Materials Management Division.

SIGNATURE

Michael Pacholok
Chief Procurement Officer