

City Council – Action Request Form

Date: May 14, 2024

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Ben Rowe, Assistant City Manager
Thomas Kureczka, Chief Information Officer

Council Action Requested:

Resolution Approving a Contract with NWN Corporation for Network Managed Support Services

Strategic Focus Area: Service Excellence

Strategic Objective: Ensure Service Delivery Efficiency and Effectiveness

Strategic Plan Action Item: No

Key Work Item: No uj



Summary of Information:

Core components of the City’s information technology infrastructure include networking equipment for data, voice, video, and data center systems that support the operation of major enterprise applications. It is critical to City services that this equipment operate at near-100% availability. This is accomplished through a combination of proactive maintenance, 24 x 7 monitoring, and quick response guarantees for replacement of faulty equipment. City staff work together with external service providers through contractual relationships to achieve the required level of services.

The existing contract for network maintenance, remote system monitoring, and contractual assistance expired February 28, 2024. The City has continued these services with the existing provider on a month-to-month basis until a new contract is in place. In order to continue with the benefits of volume purchasing and to control future costs, a Request for Proposal (RFP) was issued for a single vendor to provide these services under a single agreement. The RFP asked for a one-year contract with the option for the City to renew the agreement annually for four additional years. Two vendors responded to the RFP, but neither has offices in Winston-Salem. The RFP was sent directly to vendors in Winton-Salem as listed in Exhibit A, and none responded to the RFP.

Committee Action:

Committee _____

Action _____

For _____

Against _____

Remarks:

Hardware and software maintenance currently covers 460 active units of network equipment that provide uninterrupted operation of data, voice, and video communications. Equipment vendors require that each piece of equipment have an active maintenance agreement in order to receive a guaranteed response time with on-site service.

Only critical equipment that impacts a large number of users have 24 x 7 on-site response, while the majority of equipment has next business day on-site support. Without an active maintenance agreement in place, faulty equipment would have to be returned to the manufacturer to be repaired or replaced, which can take several days or weeks. During this time, City services would be unavailable or operating at reduced capacity.

Remote monitoring services provide 24 x 7 monitoring of the City's network. Software resides on the equipment and communicates over the internet with the vendor's Network Operations Center (NOC). The NOC sends alarms when equipment is at risk of failure or performance has dropped below specified thresholds. The NOC fixes the problem if possible, and if the equipment is under a maintenance agreement, they initiate repair services from the original equipment manufacturer. City staff are also notified and become involved in the triage process. City staff respond to notifications as needed during work days, nights, weekends, and holidays. Use of a NOC for around-the-clock monitoring reduces and eliminates service interruptions.

A broad range of technical skills are needed to support the City's network. Skills are generally categorized as Level I, II, or III, where Level I and II skills are equivalent to the City's Senior I.S. Administrator job classification. Level III skills are not staffed by the City because of the difficulty for one person to keep their skills updated on a wide range of equipment and the challenge to retain someone with these skills. A person with Level III skills is expected to have certifications by the equipment manufacturer, attend vendor training courses on product releases, have in-depth experience troubleshooting complex problems, and have direct channels to the vendor's engineers. The City has one full-time Senior I.S. Administrator position that specializes in Level I and II network management. A more cost-efficient method is to utilize contracted services for Level III skills. The RFP requested hourly rates for 250 hours of Level III skills to be used as needed.

Tremendous efficiency is realized by utilizing a single vendor to provide the hardware and software maintenance agreement, NOC, and Level III services. Coordination occurs across all areas with just one vendor. By bundling the services together and using a competitive RFP, vendors offer substantially reduced rates as compared to purchasing services separately.

The following table shows the proposed costs for the RFP response received from NWN Corporation (NWN). NWN is the current provider of these services and is the recommended vendor due to their proposed pricing, existing relationship, and industry experience. NWN has a corporate office in Greensboro, NC.

Proposed Costs for Network Managed Support Services

Services	1st Year Costs	2nd Year Costs	3rd Year Costs	4th Year Costs	5th Year Costs	5 Year Total
Monitor and Manage Network Components (NOC)	\$174,454.30	\$174,454.30	\$174,454.30	\$174,454.30	\$174,454.30	\$872,271.50
Hardware and Software Maintenance Contract	\$236,599.17	\$236,599.17	\$236,599.17	\$236,599.17	\$236,599.17	\$1,182,995.85
Network Professional Services Contract (Level III Engineer)	\$37,500.00	\$37,500.00	\$37,500.00	\$37,500.00	\$37,500.00	\$187,500.00
Yearly Total	\$448,553.47	\$448,553.47	\$448,553.47	\$448,553.47	\$448,553.47	\$2,242,767.35

NWN has agreed to provide all of the services over the five-year period with no annual cost increase, with the exception of any cost increases that would occur if the City adds network equipment during the agreement term.

The annual costs of the current contract are \$307,711.36 for the hardware and software maintenance, \$174,214.80 for the NOC monitoring services, and \$37,500.00 for Level III professional services, for a total existing annual contract of \$519,426.16. The proposed contract, with an annual cost of \$448,553.47, will result in a yearly reduction of \$70,872.69. Driving the cost savings is the consolidation and replacement of aging equipment, leading to less devices to monitor and less expensive support agreements for the newer equipment.

It is recommended that the City enter into a contract with NWN to provide infrastructure support services from July 1, 2024 through June 30, 2025 at a cost of \$448,553.47. The contract would include the option to renew for up to four additional years at a cost of \$448,553.47 each year. It is further requested that authorization be provided to enter into an annual contract for the remaining four years, subject to approved funding through the annual budget process. Authority would include expanding the agreement to include new network equipment and associated maintenance cost adjustments as funded through the annual budget process.

This project was advertised on the City, State, and HUB websites, and 51 businesses were notified directly of this opportunity. Notifications were also sent to all local M/WBE and regional HUB businesses.

See Exhibit A for a complete list of businesses that were notified of the bidding opportunity and the low bidder's Workplace Demographics form. See Exhibit B for complete proposal scoring.