# City Council – Action Request Form

**Date:** April 27, 2018

**To:** The City Manager

**From:** Tom Kureczka, Chief Information Officer

**Council Action Requested**:

Approval of a contract with Key Services, Inc. for Computer End Point Support Services

**Strategic Focus Area:** Service Excellence
**Strategic Objective:** Ensure service delivery efficiency and effectiveness.
**Strategic Plan Action Item:** No
**Key Work Item:** No

**Summary of Information**:

The Information Systems (I.S.) Department provides hardware support for approximately 1,250 desktop and laptop computers, 400 tablets, and 75 printer devices. Repairs occur either as a no-cost item covered under a manufacturer's warranty or as a cost item for labor and materials. In order to minimize time to repair for warranty items and to minimize costs for non-warranty items, the City retains a contractor on-site who is certified to repair all desktop, laptop, and tablet computers. Computers and printers are essential components of most departments' services, and a failed device for any period of time is considered unacceptable. The contractor provides same-day response for items in need of repair.

Utilizing an on-site contractor procured through a competitive bid process has proven to be cost effective as compared to a full-time equivalent (FTE) employee. The cost of an FTE with benefits, certifications, and required transportation is similar to the contracted cost. The contractor also provides a replacement person in the case of an illness or vacation and extra staffing when needed for special projects.

**Committee Action:**

| Committee | Finance 5/14/18 | Action | Approval |
|---|---|---|---|
| For | Unanimous | Against | |

**Remarks:**

The City released a Request for Proposal (RFP) in March 2018 for prospective qualified bidders to provide client-based HP and Dell computer end point support services on-site in partnership with the I.S. Department. The RFP required that the preferred vendor provide the cost of services for an initial year and optional renewal costs for two additional years. Seven vendors responded, and their bids are on file with Purchasing. Evaluation of the responses included vendor background research, bid reviews for compliance, and the rating of each vendor using the evaluation criteria defined in the RFP and shown in Exhibit B. The vendor response evaluation using the defined scoring criteria resulted in the recommended vendor being Key Services, Inc. Summary information about the seven companies and their proposed cost for the services are provided in the following table.

**Bid Responses for Computer End Point Hardware Maintenance and Support Services**

| Vendor | M/WB | Local | Year 1 Cost | Year 2 Cost | Year 3 Cost | Total 3 Year Cost |
|---|---|---|---|---|---|---|
| Alphanumeric Systems, Inc. | Yes | NC | $195,774 | $163,263 | $163,300 | $522,337 |
| Compu Com Systems, Inc. | No | No | $99,000 | $99,000 | $99,000 | $297,000 |
| Kailo Healthcare Technologies | No | No | $200,000 | $192,000 | $192,000 | $584,000 |
| Key Services, Inc. | Yes | Yes | $192,667 | $192,667 | $192,666 | $578,000 |
| Lenovo Group Ltd | Yes | NC | $158,060 | $108,950 | $108,950 | $375,960 |
| Talon of NC, LLC | No | Yes | $378,800 | $364,620 | $381,626 | $1,125,044 |
| TDARX, Inc. | No | Yes | $126,981 | $118,236 | $118,236 | $363,453 |

After the vendor evaluation, staff received notification from Key Services that they had some confusion in providing the price information in the appropriate appendix tables in their original proposal. They listed costs for their employee resources and transportation needs separately from their base cost; however, these costs had already been factored into their base cost. This led to City staff including some of these costs twice in our review and calculations. Key Services has since provided an updated RFP response with corrected costs. The new costs are $98,000 for year 1, $93,000 for year 2, and $93,000 for year 3, with a new three-year total cost of $284,000.

With the results of the vendor response evaluation process and the subsequent updated pricing, it is recommended that Key Services be selected as the preferred vendor and that the City enter into a contract in the amount of $98,000 with Key Services for one year of support services.  Funding is available in the FY17-18 Information Systems operating budget.  It is further requested that authorization be provided to enter into annual contracts for the remaining two years subject to approved funding through the annual budget process.

M/WBE COMMENT: This bid was advertised on the City's website.  Notifications of this opportunity were sent to local M/WBE and DBE businesses.  Key Services, Inc. is a certified woman-owned business located in Winston-Salem.  See Exhibit A for a complete list of businesses notified of the project and workforce demographics.

Exhibit A – Computer End Point Support Services Bid List and Demographics

Exhibit B – Computer End Point Support Services Scoring Sheet