

City Council – Action Request Form

Date: February 8, 2021

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 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



Summary of Information:

Core components of the City’s information technology infrastructure include networking equipment for data, voice, video, and data center systems that serve major 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 broken equipment. City staff work together with external service providers through contractual relationships to achieve the required level of services.

Existing contracted services for network maintenance, remote system monitoring, and contractual assistance terminated June 30, 2020. The City has been continuing these services with the existing provider on a month-to-month basis. 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 two additional years. One vendor responded to the RFP but does not have offices in Winston-Salem. The RFP was sent directly to vendors in Winton-Salem as listed in Exhibit A, but none responded to the RFP.

Hardware and software maintenance currently covers 460 active units of network equipment that provide uninterrupted operation of data, voice, and video communication. 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.

Committee Action:

Committee	<u>Finance 2/8/2021</u>	Action	<u>Approval</u>
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For	<u>Unanimous</u>	Against	<u></u>
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Remarks:

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 as requested in the RFP, broken 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 requested in the RFP provide 24 x 7 monitoring of the City network. Software resides on the equipment and communicates over the internet to the vendor's Network Operations Center (NOC). The NOC receives performance information, and alarms are triggered when equipment is at risk or has failed or performance has dropped below set thresholds. The NOC responds immediately to fix the problem if possible, and if the equipment is under a maintenance agreement, they initiate services from the original equipment manufacturer (OEM). Concurrently, City staff are notified and become involved in the triage process. City staff respond to notifications from the NOC as needed during work days, nights, weekends, and holidays. Use of a NOC for around-the-clock monitoring provides immediate response to equipment outages and often avoids outages altogether. Without the monitoring services, outages would be discovered the following morning or next business day. Affected staff would have much longer periods of interrupted services.

A range of technical skills are needed to plan, maintain, and 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, the challenge to retain someone with these skills, and market pay conditions. A person with Level III skills would be expected to have current certifications by the equipment manufacturer, regularly attend vendor training courses on all related product releases, have in-depth experience troubleshooting complex problems, and have direct channels to the hardware vendor's product engineers. The City has one full-time-equivalent job classification of a Senior I.S. Administrator that specializes in Level I and II network management. A more cost-efficient method is to utilize contracted services for Level III skills only when needed. The RFP requested hourly rates for 250 hours of Level III skillsets to be used throughout the year, as needed, rather than having someone on-site all the time.

Tremendous efficiency is realized by utilizing a single vendor to provide the hardware and software maintenance agreement, NOC, and Level III contracted services. Coordination across all areas occurs under the same vendor supervision and with the same vendor staff. The vendor learns the City's network, and the City does not have to pay each time for them to become oriented with the City's technology architecture. Communications occur more effectively due to familiarity with City staff and processes. 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's corporate office is in Waltham, MA, and they have a local office in Greensboro, NC.

Proposed Costs for Infrastructure Support Services

Services	1st Year Costs	2nd Year Costs	3rd Year Costs	3 Year Total
Monitor and Manage Infrastructure Components (NOC)	\$174,214.80	\$174,214.80	\$174,214.80	\$522,644.40
Hardware Maintenance Contract	\$307,711.36	\$307,711.36	\$307,711.36	\$923,134.08
Infrastructure Professional Services Contract (Level III Engineer)	\$37,500.00	\$37,500.00	\$37,500.00	\$112,500.00
Yearly Total	\$519,426.16	\$519,426.16	\$519,426.16	\$1,558,278.48

NWN has agreed to provide all of the services over the three-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.

With the previous contract expiring on June 30 2020, NWN has been providing these services on a monthly basis until Council grants approval for a longer term. It is recommended that the City enter into a contract with NWN to provide infrastructure support services from March 1, 2021 through February 28, 2022 at a cost of \$519,426.16. The contract would include the option to renew for two additional years at \$519,426.16 for year two and \$519,426.16 for year three. For comparison purposes, the annual cost of the previous contract was \$477,123. The new contract reflects an annual cost increase due to the new facilities and additional devices that have been added to the City's network. 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. Authority would include expanding the agreement to include new equipment and maintenance adjustments as funded through the annual budget process.

This project was advertised on the City, State, and HUB websites, and 26 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.