

## City Council – Action Request Form

**Date:** July 25, 2017

**To:** The City Manager

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

### Council Action Requested:

Approval of a contract with NWN Corporation for Network Managed Support Services

### Summary of Information:

Core components of the City's information technology infrastructure include networking equipment for data, voice, and video, and computers 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 hours per day 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<sup>th</sup>. 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. Five vendors responded to the RFP, and none of them have offices in Winston-Salem. The one vendor in Winton-Salem that received the bid does not have the resources to deliver these services, with no other known vendors in Winston-Salem that can meet the requirements.

Hardware and software maintenance currently covers 638 active units of network equipment that provide uninterrupted operation of data, voice, and video communication. Equipment vendors require that each piece of equipment have a current maintenance agreement in order to receive a guaranteed response time with on-site service.

### Committee Action:

<b>Committee</b>	Finance 8/14/17	<b>Action</b>	Approval
<b>For</b>	Unanimous	<b>Against</b>	

**Remarks:**

Only critical equipment that impacts large number of users have 24 x 7 on-site response, while a majority has next business day on-site support, or spares are kept and equipment is sent to the factory for repair or replacement. Without a hardware and software maintenance agreement, equipment not covered under maintenance but still under warranty would be returned and impacted City staff would not have service until the equipment is repaired and returned, which could be several days.

Remote monitoring services requested in the RFP provide 24 hours by seven days per week monitoring of the City network. Software resides on the equipment and communicates over the internet to the vendor's Network Operating Center (NOC). The NOC receives performance information and alarms when equipment is either at risk or has failed. 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, night times, weekends, and holidays. Use of a NOC for around-the-clock monitoring provides immediate responses to equipment outages and often avoids outages all-together. 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 certifications by the equipment manufacturer, regularly attend vendor update courses on all related product releases, have in-depth experience trouble-shooting 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 as needed. The RFP requested hourly rates for 500 hours of these skillsets to be used throughout the year as needed, rather than having someone on-site all the time.

There is a tremendous efficiency 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 our network and we do not have to pay each time for them to become oriented with our technology architecture. Communications occurs more effectively due to familiarity with City staff. 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 each vendor's RFP response, with NWN Corporation (NWN), the incumbent provider, being the recommended vendor due to their proposed pricing and industry experience. NWN's corporate office is in Waltham, MA, with a local office in Greensboro, NC.

**Proposed Costs for Infrastructure Support Services**

	<b>Iron Bow</b>	<b>Presidio</b>	<b>NWN Corporation</b>	<b>Continuant</b>	<b>Onepath</b>
<b>First Year</b>	\$731,690.95	\$489,336.59	\$476,599.87	\$548,477.80	\$542,057.68
<b>Second Year</b>	\$638,327.22	\$483,836.59	\$476,811.35	\$537,477.80	\$534,502.88
<b>Third Year</b>	\$556,487.50	\$483,836.59	\$477,023.64	\$537,477.80	\$534,502.88
<b>Total</b>	<b>\$1,926,505.67</b>	<b>\$1,457,009.77</b>	<b>\$1,430,434.86</b>	<b>\$1,623,433.40</b>	<b>\$1,611,063.44</b>

NWN has agreed to provide all of the services over the three-year period at no additional cost, with the exception of hardware maintenance or additional equipment. Hardware maintenance costs are determined by the manufacturer and therefore increases are outside their control.

With the previous contract expiring on June 30<sup>th</sup>, NWN has agreed to continue 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 for the ten remaining months of the first year for \$408,749.90 to provide infrastructure support services through June 30, 2018. Funds previously budgeted in FY16-17 for this contract are proposed to be carried over to FY17-18 via the attached budget amendment. The contract will include the option to renew for two additional years at \$476,811.35 for year two and \$477,023.64 for year three. 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.

Workforce Demographics: See Exhibit A

List of businesses notified of bid opportunity: See Exhibit B