



Request for City Council Committee Action from the Information Technology Department

Date November 1, 2013

To: The Honorable Betsy Hodges, Chair, Ways and Means Committee

Subject: Request for Proposal (RFP) Issuance for Managed Information Technology (IT) Services

Recommendation: Authorize Proper City Officials to Issue an RFP for Managed IT Services

Prepared by Gina Filigenzi, IT manager, 612-673-3055

Submitted by Otto Doll _____, 673-3633
Chief Information Officer

Approved by Paul Aasen _____
City Coordinator

Presenter in Committee Otto Doll

Policy Review Group X Not Applicable

Permanent Review Committee (PRC) X Pending Approval

Prior Related Directives:

- June 7, 2002: Authorized issuance of request for proposals for outsourcing ITS Technology Operations.
- December 30, 2002: Authorized to negotiate and execute a managed services contract with Unisys.
- December 21, 2007: Authorized to renegotiate a five-year Managed Services contract with Unisys Corporation for the City's technology operations, effective January 1, 2008, with two optional two-year extensions for a contract total of \$49,000,000.
- August 6, 2010: Authorized a) Execute a single three (3) year extension instead of two (2) two-year extensions; and b) Amend the language contained in the

contract for a change in the scope of services offered, and increase the contract by \$33,900,000.

Additionally, a council directive of this approved contract revision was that this was to be the final renegotiation and extension. An RFP must be issued for managed IT services beyond 2015.

Financial Impact: None. No additional appropriation is required to release this RFP

<p>Financial Impact (Check those that apply)</p> <p><input checked="" type="checkbox"/> No financial impact (If checked, go directly to Background/Supporting Information)</p> <p><input type="checkbox"/> Action requires an appropriation increase to the Capital Budget</p> <p><input type="checkbox"/> Action requires an appropriation increase to the Operating Budget</p> <p><input type="checkbox"/> Action provides increased revenue for appropriation increase</p> <p><input checked="" type="checkbox"/> Request provided to department's finance contact prior to the Committee Coordinator</p>

Background/Supporting Information

The City's Information Technology Department (IT) is currently engaged in a managed services outsourcing arrangement with Unisys Corporation for the majority of IT services and functions. This contract, which terminates at the end of 2015, originated in 2003. The original drivers that led to IT outsourcing revolved around cost savings, disaster recovery capabilities, expanded support and challenges in attracting IT talent. Two renegotiations of the contract, which resulted in extensions, have been implemented since the original execution (as stated above in 'Prior Directives' - December 2007, and August 2010).

Today's drivers, in addition to some of the original drivers for IT services, center around the City's need for flexible, fast, agile, and quality IT services. Strategy and scope work is underway to re-examine and re-align IT services to department goals, objectives and business drivers to achieve the most favorable sourcing structure for the City. As a result of this work, the City's IT Department plans to issue an RFP for managed IT services by March 2014.

Request for Approval

The City's IT Department requests authorization to issue an RFP for managed IT services, pending PRC review and approval.