Outsourced IT Services RFP

Committee of the Whole

January 22, 2014

Background

- Drivers for 2003 IT Outsourcing
  - Cost savings – privatization model ($2- $3MM/year)
  - Cost avoidance
    - Data center lease with County expiring ($3.5MM)
    - Disaster recovery capability desired ($4.5MM)
    - 24X7 IT support desired, especially for Public Safety
  - Improve service levels
  - Difficulty attracting IT talent

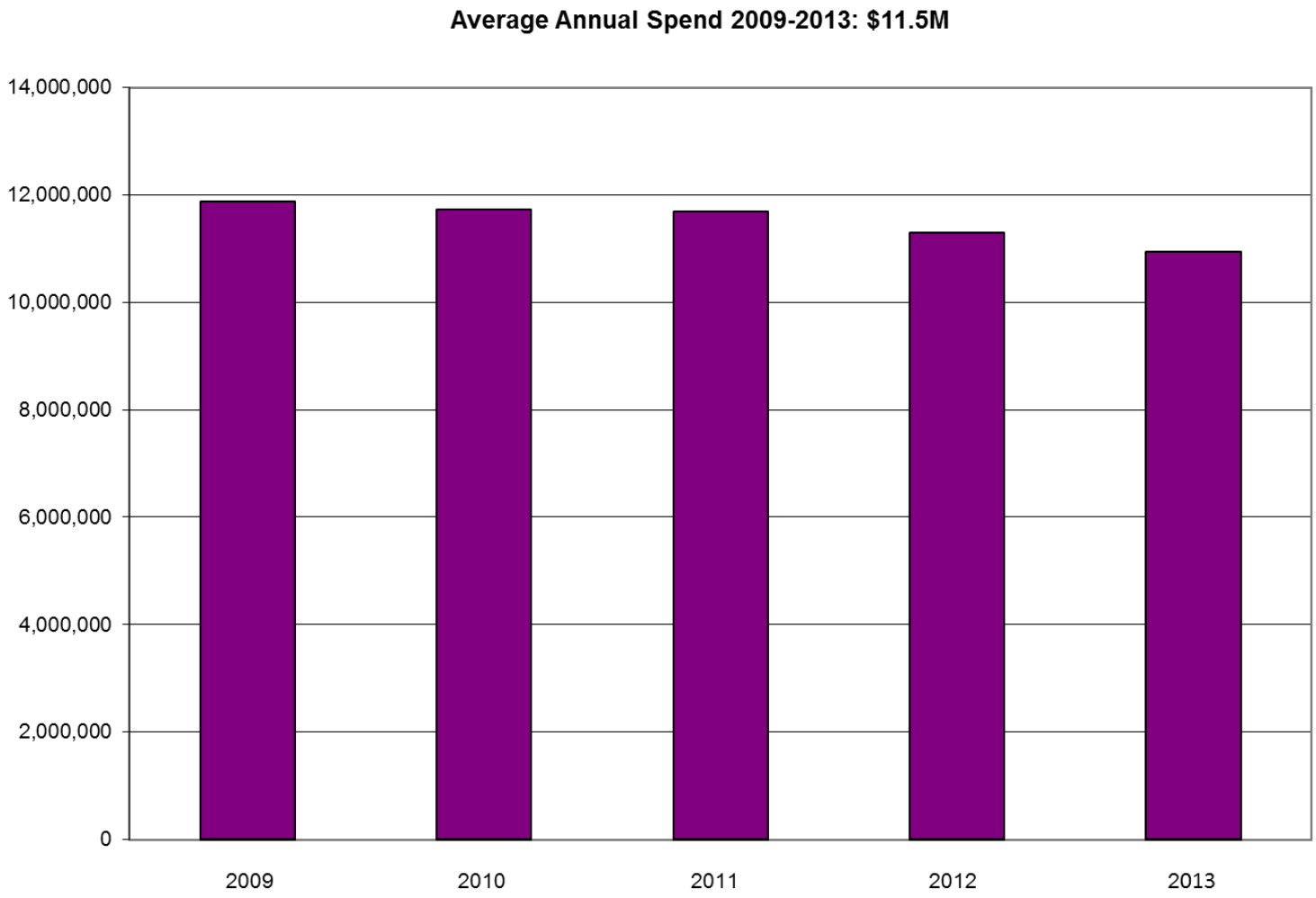
- IT Outsourced Contract 12/2002
  - Help Desk services
  - Data Center services
  - Desktop services
  - Network Administration
  - Asset Management services
  - Web Hosting services

- Retained Services
  - Application Development & Support
  - Enterprise Applications
  - Architecture
  - Security
  - Telecom
  - Project Management
  - Contract Management

Background cont.

- Contract Re-negotiated in 2007
  - Reduced cost – $12.5MM over 5 years
  - Improved services – more SLAs, service credits with earn back potential, most-favored customer pricing, additions and deletions to contract components
  - Added services – PC & server refresh, Network Intrusion Detection, Disaster Recovery
- Contract Re-negotiated in 2010
  - Reduced cost – PC refresh delay, Email, storage, smartphone support
  - Added services – IMAC, Change Management, Security
- Current contract ends December 2015

Unisys Spend

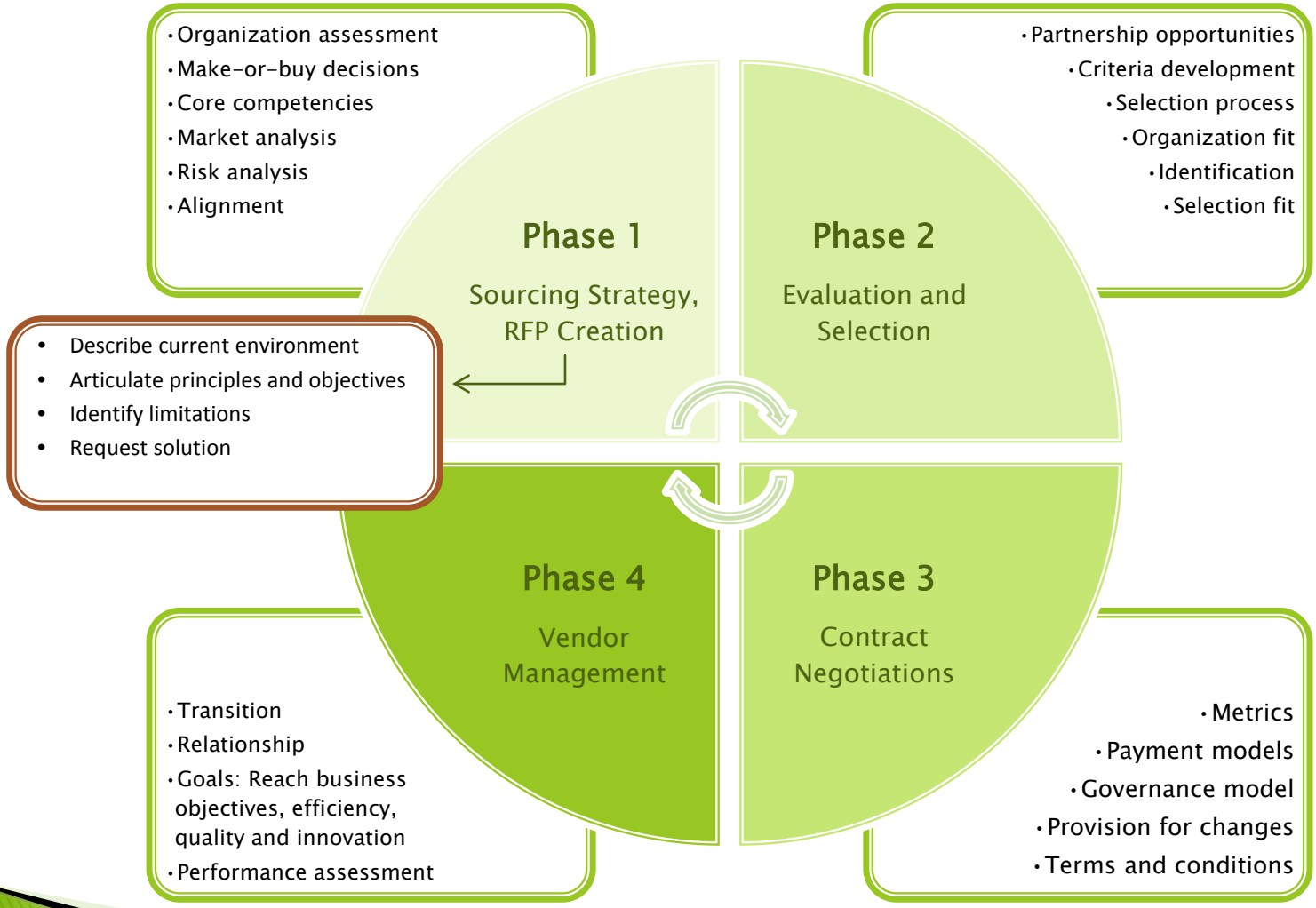


Outsourcing Models

- Full Outsourcing – Single contract with one provider
  - Often includes top-management strategic partnership with provider
  - Low cost of procurement and reduced management overhead
  - Long-duration contracts (5 to 10 years)
  - Captive, exclusive relationship can be more expensive and not provide satisfactory services or innovation in long term

- Multi-Sourcing – Separate contracts using best-of-breed approach
  - Used most often for IT sourcing
  - Leverages providers' best capabilities
  - Agility, flexibility and scalability are achievable when managed properly
  - While leveraging superior potential (cost, quality, innovation), must have strong vendor management capabilities in place

Sourcing Phases – Breakdown



Approach

- Established Governance
  - Steering Committee – Councilmembers, City Coordinator, CFO, CIO
  - Working Group – Department Heads, CIO
- Sought Outside Guidance
  - IT Research Firms – Gartner, Corporate Executive Board
  - Private Industry – Target
  - Public Sector – State & Local CIOs
- Hired Pillsbury Global Sourcing

Sourcing Principles

- Elicited from Steering Committee & Working Group
  - No offshoring
    - Employee-facing support to be U.S. based
    - City data to reside in U.S.
  - 24X7 support, especially for Public Safety
  - High availability of systems for Public Safety and key line of business systems
  - Agility, quick IT solutions
  - Innovation
    - IT is forward thinking
    - Ability to adopt new technology
  - Flexibility, IT services are adaptive to changing needs

Key Objectives

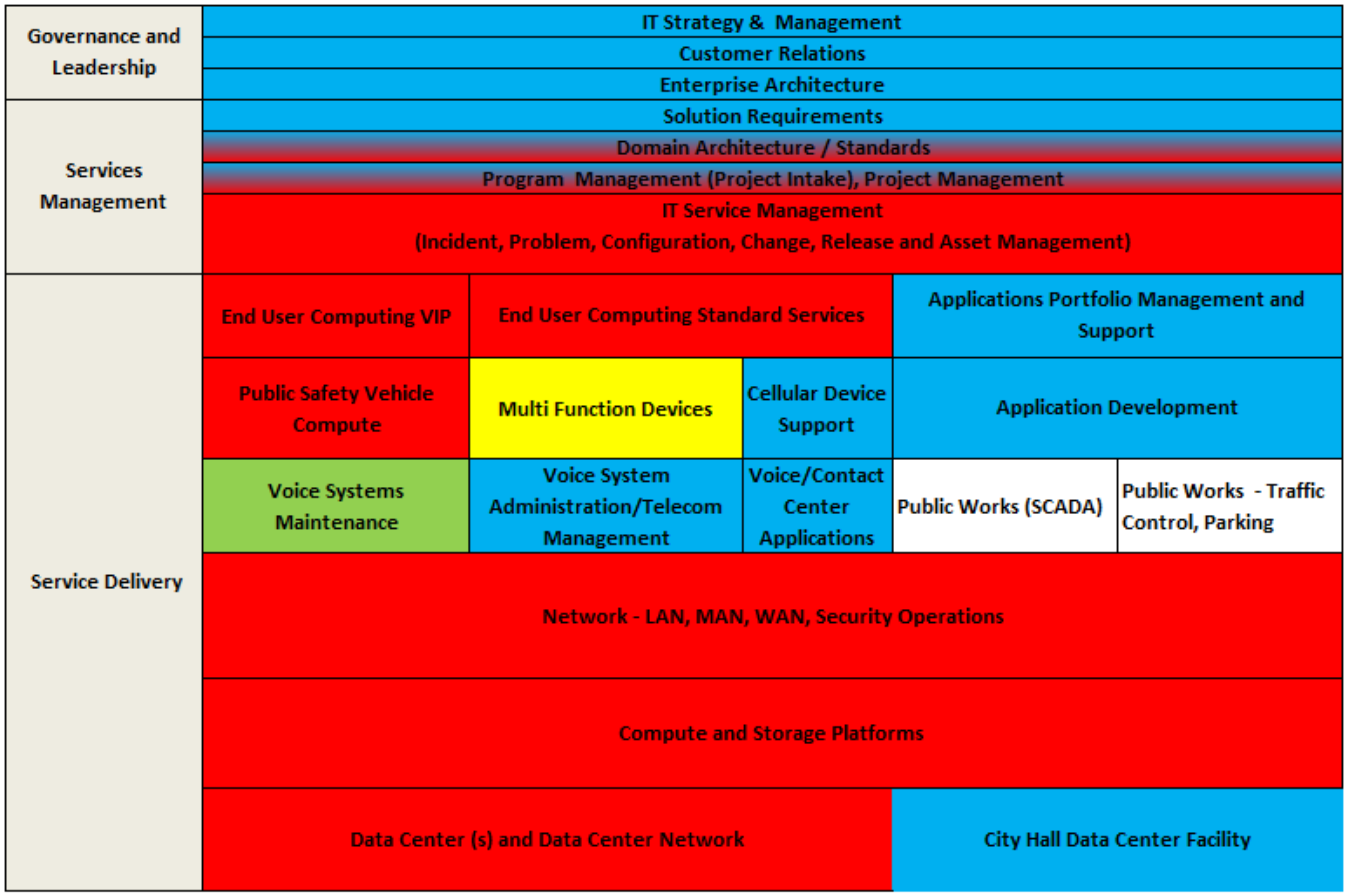
- Operational costs are in line with industry
- Minimal business disruption and business risk
- Keep barriers to exit low
- Contract levers for responding to budget reductions
- Vendor management is a core competency
- Increase infrastructure and security automation
- Suppliers are accountable for performance
- Improve quality of services as measured by client satisfaction
- Solutions evolve with industry innovations

As Is Delivery Model

- City of Minneapolis
- Unisys
- City of Minneapolis and Unisys
- Black Box
- Niche Provider (Specialty or Application)
- Supported by Non IT Department (Water, Traffic Control, Parking)

Out of Scope:

Crime Lab
USIW
Conference Bridge Services
Camera Network
Facility Premise Wiring
Convention Center Network



To Be Delivery Model

- City of Minneapolis
- Supplier 1
- Supplier 2
- Supplier 3
- Supplier 4
- Supported by Non IT Department (Water, Traffic Control, Parking)

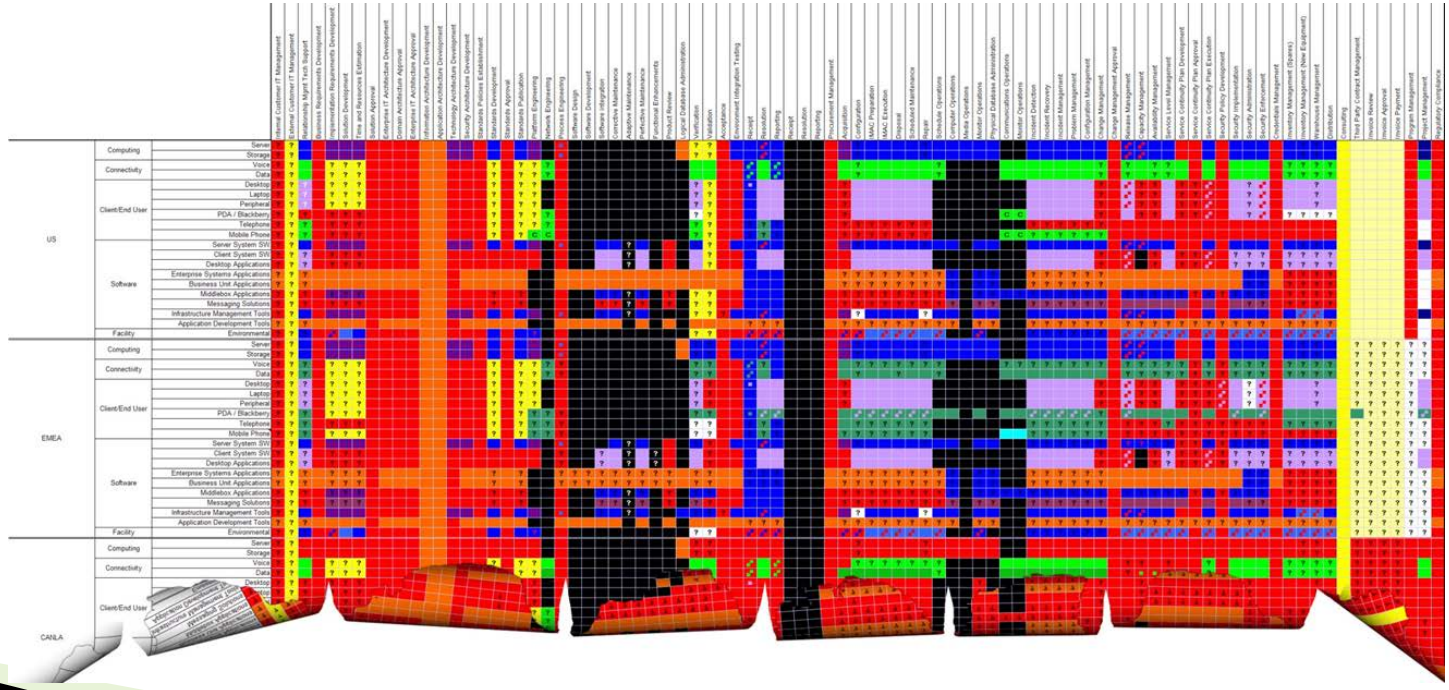
Out of Scope:

Crime Lab
USIW
Conference Bridge Services
Camera Network
Facility Premise Wiring
Convention Center Network

Governance and Leadership	IT Strategy & Management				
	Customer Relations				
	Enterprise Architecture				
Services Management	Solution Requirements				
	Domain Architecture / Standards				
	Program Management (Project Intake), Project Management				
	Capacity Management (Planning and Performance)				
	Configuration Management, Release Management, Asset Management				
	Service Desk, Incident, Problem, Change				
Service Delivery	End User Computing VIP	End User Computing Standard Services		Applications Portfolio Management and Support	
	Public Safety Vehicle Compute	Multi Function Devices	Cellular Device Support	Application Development	
	Voice Systems		Voice/Contact Center Applications	Public Works (SCADA)	Public Works - Traffic Control, Parking
	Security Monitoring				
	Network - LAN, WAN, MAN				
	Compute and Storage Platforms				
	Primary Data Center (s) and Data Center Networks			City Hall Data Center Facility	

To Be Process Detail

- Examines all IT processes (leadership, service management, service delivery) to determine primary supplier
- Facilitates identification of the preferred service delivery model
- Assists understanding of To-Be environment – puts scope in context
- Saves significant time in sourcing, contracting, and negotiating



Timeline

Phase 1

February 18, 2014
RFP Released

- Delivery Strategy
- To Be Scope Model
- Sourcing Strategy
- RFP Package

Phase 2

August 1, 2014
Downselect

- Pre-proposal conference
- Q&A
- Receive Responses
- Review & 1st Evaluation
- Select Top Vendors
- Oral Presentations
- Workshop (optional)
- Due Diligence
- 2nd Evaluation and Downselection

Phase 3

February 1, 2015
Contract Approved

- Term Sheet Negotiations
- Due Diligence
- Select Preferred Vendor
- Contract Negotiations
- Approvals
- Start Transition Planning

Phase 4

December 1, 2015
Transition Complete

- Transition
- Training

Note: timeline needs to be adjusted

Questions

Thank You