

NO: R159

COUNCIL DATE: July 23, 2018

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **July 19, 2018**

FROM: **General Manager, Corporate Services** FILE: **1355-01**

SUBJECT: **Award Standing Offer Agreement No. 1220-040-2018-060 for the Supply & Delivery of NetApp Storage**

RECOMMENDATION

The Corporate Services Department recommends that Council:

1. Award Standing Offer Agreement ("SOA") No. 1220-040-2018-060 for the non-exclusive supply and delivery of NetApp Enterprise ("NetApp") storage, software, and services to Scalar Decisions Incorporated ("Scalar"), Long View Systems Corporation ("LVS") and Telus Communications Inc. ("Telus") for the total combined amount of up to \$1,237,000 over three years, including GST and PST;
2. Set the total combined three year expenditure authorization limit for all three agreements at \$1,360,700 including contingency and taxes; and
3. Delegate authority to the General Manager, Corporate Services Department, to execute SOA's with Scalar, LVS and Telus.

SCOPE OF WORK

This report seeks Council authority to enter into SOA's with Scalar, LVS, and Telus to provide NetApp storage equipment for a three year term.

Storage is one of the key technologies used to deliver the City's Information Technology ("IT") applications. This technology has an expected useful lifespan of five years and is supported by an annual sustainment program that safeguards the stability, security, supportability, and performance of the City's mission critical storage technology by:

- Proactively acquiring and replacing end-of-life storage;
- Accommodating current and projected growth in storage requirements; and
- Ensuring the continuous improvement in the delivery of services through improved technology performance

The City has experienced increases in storage requirements effectively doubling its growth from 52 terabytes ("TB") in 2014 to 194 TB in 2018 as a result of the storage of documents, emails, images, and other electronic records. As the City continues to digitize services such as MySurrey Portal and the Data Driven Decision Making (D3M) Program presently under development, the

trend towards increased electronic information dependent on storage is expected to continue for the foreseeable future.

Establishing an SOA pre-qualifies both the technology ("NetApp storage") and the vendors which will significantly reduce the procurement process time allowing IT to more efficiently respond to the City's growing storage requirements when required.

Since 2012, the NetApp storage technology has been established as a City standard based on its performance, scalability and competitive industry price.

TENDER RESULTS

In June 2018 the City initiated Request for Quotation ("RFQ") 1220-040-2018-060 to invite interested parties to provide quotations to supply NetApp Storage Hardware, Software and Services.

A total of three responses were received. An estimated three-year cost projection for each proposal was determined based on the RFQ responses, storage growth, and our end-of-life replacement schedule with the following results:

RFQ Proponent	Estimated Cost (projected over a three-year term) including GST & PST
Scalar	\$1,071,000
LVS	\$1,201,000
Telus	\$1,237,000

EVALUATION

All submissions were reviewed by an Evaluation team that consisted of the Manager, IT Infrastructure and Operations, IT Operations Manager, and a Technical Architect. The evaluation was facilitated by the Purchasing Section. The following evaluation criteria were considered:

- Financial; and
- Experience, reputation, and resources

Based on the criteria above, and overall evaluation, the proposals submitted by Scalar, LVS, and Telus meet the City's requirements for providing storage technology.

Telus cannot guarantee to hold their associated pricing discounts for the NetApp storage technology product should there be an upward fluctuation in cost for this product during the term of the agreement. Scalar has advised that they can solely guarantee to hold their associated pricing discount for up to a 12-month period. Conversely, LVS guarantees to hold their pricing discounts for the full length of the three-year term.

In order to ensure ongoing competitive pricing for the storage equipment for the three year period, it was deemed to be in the City's best interest to engage all three proponents via a SOA. Accordingly, and as provided under the RFQ, the City will invite Scalar, LVS, and Telus to quote on each separate purchase of NetApp Enterprise Storage technology and award to the lowest bidder for each separate procurement.

Cloud Based Alternatives

Cloud-based storage offerings introduce additional capabilities for the IT division to meet future requirements. However, British Columbia's *Freedom of Information and Protection of Privacy Act* ("FOIPPA") limits choice to Canadian hosted services. Many of these new services are hosted in the United States or outside of North America which disqualifies them for use by the City. That said, service providers have begun to establish Canadian offerings that comply with provincial regulation.

Although Cloud based services will provide the City with supplementary capabilities, it is anticipated that purchases with NetApp over the next three year horizon will still be in alignment with the recommendations provided. Staff are closely monitoring this market to determine its effectiveness and potential for future consideration.

FUNDING

Funding is available in the IT 10 year capital replacement program.

SUSTAINABILITY

The ongoing annual sustainment program ensures the stability and reliability of the City's mission critical computing and storage technology and will support the Corporate Sustainability objective of the Sustainability Charter 2.0, specifically:

- Objective #3: Ensure that customer interaction with the City is convenient, efficient, data driven, and measurable.

CONCLUSION

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Rob Costanzo
General Manager, Corporate Services