



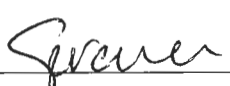


To: General Purposes Committee **Date:** January 12, 2024
From: Grant Fengstad **File:** 04-1300-01/2024-Vol
Director, Information Technology 01
Re: **Award of Contract 8180P – Information Technology Service Management Solution**

Staff Recommendation

1. That Contract 8180P – Information Technology Service Management Solution”, be awarded to Kifinti Solutions for a two-year term for an aggregate value of \$454,805.90, as described in the report titled “Award of Contract 8180P – Information Technology Service Management Solution” dated January 12, 2024, from the Director, Information Technology;
2. That the Chief Administrative Officer and the General Manager, Finance and Corporate Services be authorized to extend the initial two-year contract by five years up to the maximum term of seven years, for an additional value of \$294,774.31;
3. That funding in the amount of \$58,201.58 be transferred from the Information Technology Operating Budget to the Capital Project (CY00075 – IT Service Management System Replacement) and the Consolidated 5 Year Financial Plan (2024-2028) be amended accordingly; and
4. That the Chief Administrative Officer and the General Manager, Finance and Corporate Services be authorized to execute the contract and all related documentation with Kifinti Solutions Inc. over the seven-year term.

Grant Fengstad
Director, Information Technology
(604-276-4096)

REPORT CONCURRENCE		
ROUTED TO: Finance Department Law	CONCURRENCE <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	CONCURRENCE OF GENERAL MANAGER 
SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO 

Staff Report

Origin

Information Technology (IT) requires the use of a Service Management product that aligns to industry best practices known as ITIL (IT Infrastructure Library) which provides the framework and process behind the delivery of Information Technology services. The current system (LANDesk) was implemented in 2014 is currently used to manage services provided by Information Technology, including case management (requests and reported technical issues), change management and asset management.

The system provides the ability for internal customers to send requests for services or to report technical issues to the Help Desk. Requests and reports of incidents are created as cases and managed by Information Technology to their completion.

In 2017, LANDesk was acquired by Ivanti, who also operate as a software company. However Ivanti have since decided not to further develop the LANDesk system, with the last version available in 2018. This means that the City will no longer receive security updates or patches, and effectively is at “end of life”.

Given this situation, the City issued a Request for Proposal (RFP) to source a new system to replace the LANDesk system. The procurement of a new Information Technology Service Management (ITSM) solution will enable Information Technology to better support City users and manage our production environment by effectively facilitating the tasks and workflows associated with delivery of quality services.

This report presents the results of the submissions received for Contract 8180P through a publically tendered process.

This report supports Council’s Strategic Plan 2022-2026 Focus Area #4 Responsible Financial Management and Governance:

Responsible financial management and efficient use of public resources to meet the needs of the community.

4.2 Seek improvements and efficiencies in all aspects of City business.

Analysis

Procurement Process

The City issued a Request for Proposal (RFP) 8180P – Information Technology Service Management Solution on BC Bid on May 16, 2023, which closed on June 30, 2023.

The RFP scope was for the supply of software that meets the City’s technical and operational requirements, including initial implementation support, and the provision of ongoing maintenance support services that will be required throughout the term of the contract.

Seven proposals were received by the closing date from the following proponents:

1. PartnerVP
2. Freshworks Inc.
3. Kifinti Solutions Inc.
4. Avante Solutions Inc.
5. Customizo Solutions Inc.
6. Deloitte
7. Fujitsu Consulting Inc.

Review Process

The Proposals were evaluated by City staff and consisted of a two-phased evaluation process. The first phase involved independent reviews of each Proposal, which assessed the financial proposals, ability to meet technical requirements, program approach, implementation, corporate background and proposed team.

Table 1 provides a summary of the financial proposals received, with scores awarded by the evaluation team based on the criteria listed above.

Table 1 – Phase 1 Evaluation Summary

Company	Financial Proposals (based on the maximum seven-year contract term)	Total Evaluation Score (out of 100)
PartnerVP	\$612,115.00	54.46
Freshworks, Inc.	\$685,055.38	52.40
Kifinti Solutions Inc.	\$1,270,226.00	63.34
Avante Solutions, Inc.	\$1,734,960.00	64.83
Customizo Solutions Inc.	\$1,906,505.00	65.85
Deloitte	\$2,436,715.00	63.43
Fujitsu Consulting Inc.	\$4,404,072.00	59.05

*Does not include applicable taxes

Phase I Evaluation Summary

Although all seven Proposals received were reviewed and scored by staff, only the submission from Kifiniti Solutions Inc. (Kifinti) progressed to the second evaluation phase. Although Kifiniti had the fourth highest score, the Proposal met all of the City’s technical requirements and their Proposal outlined a comprehensive methodology for the provisioning of the solution, including qualified resources to feasibly accomplish the City’s objectives, including a migration strategy from the City’s existing system.

Staff decided not to progress the other Proposals to the second evaluation phase due to the following reasons:

- PartnerVP proposed the lowest cost to deliver the solution, however their proposal did not meet all of the City’s technical and functional requirements.
- Freshworks Inc. proposed the second lowest cost to deliver the solution, however their submission did not provide sufficient information on how all of the required services would be delivered.
- The Proposals received from Avante Solutions, Inc., Customizo Solutions Inc., Deloitte and Fujitsu Consulting Inc. were significantly higher than the allocated budget.

Phase 2 Evaluation Summary

Upon concluding Phase 1, Kifinti was shortlisted and invited to participate in Phase 2 of the evaluation process which included an interview, demonstration and a proof of concept environment which was evaluated and scored by staff.

Kifinti further clarified and validated information included in their Proposal.

Testing performed on the solution was deemed by staff to have sufficiently met the required technical and performance requirements. Table 2 presents the total awarded by the evaluation team after the second phase.

Table 2 – Phase 2 Evaluation Summary

Company	Score out of 100
Kifinti Solutions Inc.	69%

Financial Analysis

The original, proposal submitted by Kifinti Solutions Inc. was based on a SaaS (software as a service) solution that was delivered through the “cloud”. The original financials associated with that proposal were as follows:

Table 1 - Original Proposal (excluding applicable taxes)

	Implementation Fee	Subscription Fee	Total
Initial Contract Term	\$213,700.00	\$270,840.00	\$484,540.00
Extended Contract Term (Years 3 to 7)	\$0.00	\$785,686.00	\$785,686.00
Total	\$228,659.00	\$1,130,589.82	\$1,270,226.00

During the Phase 2 evaluation, further discussions resulted in Kifinti Solutions Inc. advising the City that they could also provide a “premise-based” option where the City would procure full-use perpetual licenses and pay for annual maintenance and support services. The costs associated with that offering were as follows:

Table 2 - Revised Proposal (excluding applicable taxes)

	Implementation Fee	License Fee	Support & Maintenance	Total
Initial Contract Term	\$159,600.00	\$181,276.93	\$113,928.97	\$454,805.90
Extended Contract Term (Years 3 to 7)	\$0.00	\$0.00	\$294,774.31	\$294,774.31
Total	\$159,600.00	\$181,276.93	\$408,703.28	\$749,580.21

The combined implementation fee and one-time license fee exceeds the amount that was previously approved by Council in 2023 for this capital project. However, the ongoing annual savings realized with this revised proposal exceed the additional one-time costs. Staff recommend that Council approve the contract award as the revised proposal based on perpetual licensing and on premise-based installation results in cost savings of \$520,646 over the seven-year term.

Financial Impact

Council previously approved funding in the amount of \$286,483 for this capital project during the 2023 Capital Budget process. The additional capital costs of \$58,201.58 (\$54,394 + \$3,807.58 PST) can be accommodated within the IT operating budget. An amount of \$58,201.58 will be transferred from the IT operating budget to the capital project and the Consolidated 5-Year Financial Plan (2024-2028) amended accordingly.

Table 3 – Total Contract Value (excluding applicable taxes)

Description	Costs
Initial Two-Year Contract Term (Implementation and Operating)	\$454,805.90
Contract Extension of five year term	\$294,774.31
Total value	\$749,580.21

Conclusion

Staff recommend that Contract 8180P – Information Technology Management Solution be awarded to Kifinti Solutions Inc. as it represents the best value to the City for an initial two-year term, with the option to extend the contract for a further five-year term, for an estimated total value of \$749,580.21.



Niloufar Torabi
 Manager Business & Enterprise Services,
 Information Technology
 (604-276-4317)

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