

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Authorize the City Manager to execute contract with Onsite PC Care in the amount not to exceed \$158,080 to provide network and help desk services to Information Technology Division through December 2004

DEPARTMENT: Finance

PRESENTED BY: Debbie Tarry, Finance Director
Tho Dao, Information Technology Manager

PROBLEM/ISSUE STATEMENT:

The City needs to acquire services provided by this contract to increase internal technology staffing capacity in order to work on Technology Plan projects while maintaining the existing level of service and support to its customers.

In order to deliver a number of projects included in the 2001-2003 Technology Plan, Information Technology Division (ITD) needs to backfill its internal staff in providing ongoing operation support so that staff can work on the implementation of these projects. We estimate that this backfill contract will be necessary for the period of mid 2003 through the end of 2004 when these projects are scheduled to be completed.

FINANCIAL IMPACT: The contract was anticipated and included in the technology plan budget for 2003.

RECOMMENDATION

Staff recommends that City Council authorizes the City Manager to execute a contract with Onsite PC Care in the amount not to exceed \$ 158,080 to provide help desk and network operation services under the direction of Information Technology Division staff.

Approved By:

City Manager  City Attorney 

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INTRODUCTION

The City is looking to augment its in-house technology staff in contracting with an external consultant who is going to perform the day-to-day networking and computer help desk support under the direction of the City's Information Technology staff. This contract will allow IT staff to work on several projects contained in the Technology Plan while maintaining the current level of service and support to City staff.

BACKGROUND

In April 2001, Moss Adams, the consulting company that assisted City staff in updating the Technology Plan, assessed the capacity of internal Information Technology Division staff to deliver the projects approved as part of the updated Technology Plan. Moss Adams recommended that the City needed to either increase internal capacity through hiring or by outsourcing the division's existing workload in order to successfully deliver these technology projects. Since then, ITD has utilized limited term contractor(s) to perform the more routine support service tasks such as: staff the IS Helpdesk call center, troubleshoot workstation hardware and software problems; triage networking problems to pinpoint the root cause before hand-off to internal IT staff for resolution, etc. In addition, the contractor will assist technology staff in building the necessary infrastructure to support new applications (data center, servers and backup library). As a result of this action, ITD has been able to deliver several large technology projects (HR/Payroll, Recreational Registration software application – Class, and migration to a new email system city wide) under budget and on time. We anticipate that for the next eighteen months, several of these projects (integration of existing systems, enhance City website, etc) will require an in-depth analysis to be done on current City's business processes and data flows among City departments. This requires the skill and expertise of business analysts who possess a thorough understanding of City business and processes. We believe that our internal IT staff are the ideal candidates in performing these tasks, but in order to perform these tasks we need to backfill their positions.

Anticipating the need to backfill some of the City's capacity, we issued a Request for Proposal (RFP). The issuance of the RFP #2169 resulted in 9 responses, with hourly rates ranging from \$38 through \$100 per hour. The reason for the variance has to do with the range of skill sets we required in the RFP (from answering helpdesk support calls to complex networking support services). To assist with the evaluation of the responses, staff developed rating criteria where points were assigned to various area of expertise and experience. The list was then narrowed to three finalists (Ciber - \$54/hr , Aetea - \$38/hr and Onsite PC Care @ \$53/hr), each of whom were invited to interview with IT staff. Of these vendors, Aetea was quickly eliminated from further consideration because the recommended contractor didn't have the necessary networking background to meet our needs. Of the remaining two vendors, Ciber's analyst while having similar experience in help desk and networking as Onsite's, was not familiar with the City's current methodology used to update software applications, which meant that additional training would be required before he could be fully productive in supporting our needs.

Our staff unanimously recommended that Onsite PC Care be awarded the contract since their analyst met all of the criteria and in fact, the contractor has been providing

this type of service to the City since 2002 on an as-needed basis. Subsequent contract negotiations with Onsite PC Care yielded a final rate of \$50/hour for the five months in 2003 and an increase to \$51/hour starting January 1, 2004. This represents a 2% annual increase from the current rate of \$49/hour. The maximum contract cost for the eighteen months is \$158,080, all of which is covered by the existing technology plan budget.

ALTERNATIVES ANALYSIS

Staff identified a number of requirements necessary to effectively deliver technology projects including:

- Ability to understand the various business practices of the City departments
- Ability to understand the work processes, information flows and specific business rules of each department (such as timing of special processes, unique circumstances or constraints experienced by department or workgroup)
- Ability to understand the interconnection and working relationships between City departments and the related communication flows
- Must be cost effective

With these four criteria in mind staff reviewed the following options.

Option 1 – Maintain Status Quo (continue to use external contractor to backfill IT staff)

The status quo option was to continue to use an external contractor to backfill IT staff in the area of answering help desk calls, assisting internal users with technical/problem issues, and providing additional network support to our IT staff. The main benefit of this option is that it is a proven method in that the Information Technology Division (ITD) has been utilizing the same contractor for the past year with good and quantifiable results. Also, we believe the need to backfill is a short-term need. The use of a contractor allows us the flexibility to use the services as needed and provides us with a broad level of expertise.

Option 2 – Hire a limited term help desk analyst instead of a contractor for eighteen months

This option, while providing the same staffing level as option 1, would be a full-time limited term staff hiring instead of contracting out the service. The main benefit of this option over Option 1 is that the City could save some money by hiring an individual as full-time staff for the length specified, based on our current pay range for a computer analyst. However, there are several drawbacks to this option versus Option 1, including:

- More staff time would be needed to advertise, recruit, interview and hire;
- Additional time would be needed to acquaint the new employee with the current processes, available toolsets, and City's operations in order to be fully effective;
- There would be less flexible contingency options to replace/terminate the hired resource than if the resource is a contractor.

- The City would need to anticipate time-off needs for the employee.
- There would not be the ability to seek expertise from a broad base of employee levels through a contract company.

So, while there are some savings with this option, savings could be quickly evaporated if this option were to take longer to implement than Option 1.

Option 3 – Eliminate the use of external contractor and not hire a limited term help desk analyst for backfilling purpose

This option is the least attractive option since current staff would be forced to choose between delivering critical technology projects or lowering existing service levels to internal staff. As was stated in the Technology Plan, the lack of supplemental support, would cause many technology projects not to be delivered or to be severely delayed. The cost of outsourcing these projects to external consultants would be much higher since these projects would require higher levels of business/technical analysis skills which typically cost more than help desk/networking analyst skill.

SUMMARY

Option 1 provides the highest value to the City in this proposal with minimal associated risks.

RECOMMENDATION

Staff recommends that City Council authorizes the City Manager to execute a contract with Onsite PC Care in the amount of \$158,080, to provide help desk and network operation services under the direction of Information Technology Division for the next eighteen months starting in August 2003.