



City of North Bay Report to Council

Report No: CORP-2022-031

Date: February 25, 2022

Originator: Mary-Ann Kotylak, CPPB, CPPO
Manager of Purchasing

Steven W. Melnichuk
Director, Information Systems

Business Unit:
Corporate Services

Department:
Financial Services Department

Subject: Co-op 2022-24 Microsoft Licensing

Closed Session: yes ☐ no ☒

Recommendation

That City Council approves the award of a contract to CDW Canada Corp., based on the unit prices specified in their bid for RFQ 2022-24 for Microsoft Enterprise Licenses for a term of three (3) years, with an option in favour of the City to extend the agreement for an additional three (3) year term.

Background

The City currently uses various versions of Microsoft software to run operations and provide desktop publishing services. These software versions are end of life, or are approaching end of life, and on limited, best-effort support, which increases the municipality's operational risk.

Microsoft offers various levels of discounts on licensing and software based on agreements and organization types. Currently, the City does not currently have an Enterprise Agreement with Microsoft, which is the top tier discounted offering Microsoft provides. Organizations covered under an Enterprise Agreement have full upgrade rights to the most updated versions of all software packages and licenses covered by the Enterprise Agreement during the life of the agreement at no additional charge.

In addition, with the proliferation of viruses, malware, and ransomware impacting organizations across the globe, and more specifically, municipalities across Canada, keeping software up to date is more critical than ever. By

moving to the Microsoft Enterprise Agreement, and upgrading systems to Office 365, Microsoft's Cloud-Based Office solution, and Exchange On-line, Microsoft's Cloud-Based Email Solution, the City will be better protected against attacks at a significantly lower cost than maintaining and upgrading on premise solutions.

Financial/Legal Implications

Canoe Procurement Group of Canada and OEMC are co-operative buying groups that the City participates with. Both organizations publically advertise procurement processes, on behalf of their participating members, and meet all legislative trade agreement requirements. Public notice of participation with these buying groups, as required by the Canadian Free Trade Act CFTA (2017), is published on the City's website and Bids and Tenders.

As part of a second stage selection process, the City requested quotes from three supplies awarded contracts to provide Microsoft License Products and related services through the Canoe Procurement Group of Canada and the OEMC. This invitational bid request, which closed February 7, 2022, was administered by the Purchasing Department. Three quotes were evaluated by the Purchasing Manager and the Director of Information Services. The evaluation was based on price.

The results are as follows:

Ranking	Company	Bid Price
1	CDW Canada Corp.	\$333,082.65
2	SHI Canada ULC	\$450,557.94
3	Softchoice Canada Inc.	\$500,613.12

The bid price of \$333,082.65 (plus HST) from CDW Canada Corp. represents a total cost over the initial three (3) year term based on the estimated quantities specified in the RFQ. The quote from CDW Canada Corp. was the lowest bid and provides the best overall value to the City. Their bid is considered fair and reasonable.

Funding for Microsoft licensing services provided under this contract is managed within the operating budget of the Information Systems Department. Sufficient funding will continue to be requested in future years.

Corporate Strategic Plan

- | | |
|---|--|
| <input checked="" type="checkbox"/> Natural North and Near | <input type="checkbox"/> Economic Prosperity |
| <input type="checkbox"/> Affordable Balanced Growth | <input type="checkbox"/> Spirited Safe Community |
| <input checked="" type="checkbox"/> Responsible and Responsive Government | |

Specific Objectives

Invest in technology and work practices to reduce the city's energy consumption.

Ensure the efficient and effective operations of the city, with particular consideration to the impact of decisions on the property tax rate.

Ensure the City is prepared in the event of a Community Emergency.

Options Analysis

Option 1: That City Council approves the award of a contract to CDW Canada Corp., based on the unit prices specified in their bid for RFQ 2022-24 for Microsoft Enterprise Licenses for a term of three (3) years, with an option in favour of the City to extend the agreement for an additional three (3) year term.

Option 2: Do not award a contract. This option is not recommended as our current software is several years old and is either end of life with no support, or approaching end of end of life with no support.

Recommended Option

That City Council approves the award of a contract to CDW Canada Corp., based on the unit prices specified in their bid for RFQ 2022-24 for Microsoft Enterprise Licenses for a term of three (3) years, with an option in favour of the City to extend the agreement for an additional three (3) year term.

Respectfully submitted,

Name: Mary-Ann Kotylak, CPPB, CPPO

Title: Manager of Purchasing

Name: Steven W. Melnichuk

Title: Director, Information Systems

We concur with this report and recommendation.

Name: Margaret Karpenko, CPA, CMA

Title: Chief Financial Officer /Treasurer

Name: David Euler, P.Eng., PMP

Title: Chief Administrative Officer

Personnel designated for continuance:

Name: Steven W. Melnichuk

Title: Director, Information Systems