



## COUNCIL REPORT

Report Date: September 9, 2024  
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Meeting Date: October 9, 2024  
[Submit comments to Council](#)

TO: Standing Committee on City Finance and Services  
FROM: Deputy City Manager and Chief Procurement Officer  
SUBJECT: Contract Award for Value Added Reseller for Network and Data Center Hardware, Software, Services, Support & Warranty

### Recommendations

- A. THAT Council authorize City staff to negotiate an agreement for Value Added Reseller for Network and Data Center Hardware, Software, Services, Support & Warranty with CDW Canada Corp for an estimated total contract value of \$49,000,000 over the initial five (5)-year term, plus the four (4) possible unilateral extension terms (the "Agreement"), which will be funded from the ongoing infrastructure Maintenance/Upgrade/Expand Programs for the City, the Vancouver Police Department, and Vancouver Public Library. The estimated contract value for the entire potential nine (9)-year term, including all possible extension terms, is \$92.5 million, plus applicable taxes.
- B. THAT Council delegate its authority to execute the Agreement to the City's Director of Legal Services, Chief Procurement Officer, and Deputy City Manager.
- C. THAT no legal rights or obligations will be created by Council's approval of Recommendations A and B unless and until the City executes and delivers the Agreement.

### Purpose and Executive Summary

The City issued a Request for Proposal PS20230599-COV-RFP on January 26, 2024, for Value Added Reseller for Network and Data Center Hardware, Software, Services, Support & Warranty (the "RFP").

The Value Added Reseller will provide the City with goods and services related to the following:

1. Category 1 – Network: the City's network primarily consists of Cisco products that provide local area switched networks (LAN), wide area network (WAN) connectivity and collaboration services for over 200 City facilities.

2. Category 2 – Data Centre: the City’s hybrid data centre landscape includes on-premise, colocation, and cloud location, each hosting compute and data storage services inclusive of over 50 servers and 9 storage controllers.

The City advertised the RFP on the City of Vancouver website in accordance with the City’s Procurement Policy (ADMIN-008). City staff on the RFP evaluation committee and the Bid Committee have considered the responses received and recommended that the City negotiate an agreement with CDW Canada Corp.

### **Council Authority/Previous Decisions**

The City’s Procurement Policy (ADMIN-008) requires Council approve contracts with a total value greater \$3,000,000 following review and recommendations by the City’s Bid Committee. The Bid Committee has considered the bids and recommends CDW Canada Corp as the successful proponent.

There is no applicable Council authority or previous decisions related to this report.

### **City Manager’s Comments**

The City Manager concurs with the foregoing recommendations.

### **Context and Background**

The City’s Department of Technology Services requires a Value Added Reseller (VAR) for Network and Data Center Hardware, Software, Services, Support & Warranty.

Network: the City requires a Cisco gold level certified partner due to the size and complexity of the City’s network Cisco environment. The City’s Local Area Network infrastructure includes over 1,000 Cisco Catalyst switches, 600 Cisco wireless access points, and data center grade Cisco Nexus switches and firewalls. The telephone and call centre services are provided using on-premise Cisco Unified Communications Manager and Unified Contact Centre Enterprise. Secured remote access connectivity for staff and contractors is delivered via Cisco VPN.

Data Center: the City’s hybrid data center environment requires a VAR with the capability to provide a wide range of equipment and accessories used in a data center including but not limited to compute, server, storage, load balancing, firewall, and uninterruptible power supply equipment, and certified professional services to support this equipment. In addition to selling products such as hardware and software, a VAR provides services in the form of consulting, troubleshooting, product and pricing comparisons, and industry intelligence. Common examples of hardware and software in the Data Center category include: servers, storage, and virtualization software; common examples in the Network category include: network switches, Wi-Fi access points, and contact centre call tree software.

The purpose of the RFP was to identify a supplier with the capability to meet the City’s requirements for a Value Added Reseller for Network and Data Center Hardware, Software, Services, Support & Warranty, while offering a competitive price and satisfactory service.

## **Discussion**

The RFP was issued in accordance with the City's Procurement Policy (ADMIN-008). The City received responses from CDW Canada Corp, Charter Telecom Inc., I.T. Blueprint Solutions Consulting Inc., Softchoice Canada Inc., and Telus Communications Inc. The responses were evaluated, using both quantitative and qualitative factors, by a team comprised of representatives from Technology Services, under the stewardship of Supply Chain Management, to assess each response's overall value.

Some of the criteria considered in the overall evaluation process included:

- Industry certifications (e.g. Cisco gold level certified partner);
- Demonstrated success in providing value added reseller services such as ordering and delivery, order tracking, reporting, billing and invoicing; and,
- Dedicated account management.

The evaluation team concluded that the Proposal submitted by CDW Canada Corp met the City's requirements and provided the best overall value to the City.

## **Financial Implications**

The Director of Finance has reviewed and confirmed that funding is available from ongoing Infrastructure Maintenance/Upgrade/Expand Programs for the City, the Vancouver Police Department, and Vancouver Public Library. As a result of the RFP, the City is able to achieve cost certainty for the proposed initial five (5)-year term, based on constant annual volume assumptions and inflation.

The City has spent on average approximately \$9.2 million dollars annually over the past five years (\$46 million) for the products and services included in the defined categories. This figure, plus factoring in growth, and assuming RFP response pricing at a constant annual volume, results in an estimated spending forecast of \$49 million over the coming five years, representing modest growth over existing spending on these goods and services.

The agreement will be used on an as-needed basis. This contract is not a commitment by the City to spend this (or any) amount of money with CDW Canada Corp. This agreement is not exclusive and ensures that the City has price certainty over the term of the contract for the purchase of products and services included in the defined categories from CDW Canada Corp.

In accordance with City procurement policy and as part of sound financial stewardship, the City will continue to leverage existing planning, review, and approval processes at the time the specific requirements arise such as annual capital planning to ensure the City achieves best value for dollar for the products and services in the defined categories, this agreement does not preclude use of these processes or contractually obligate the City to buy these goods and services from the recommended vendor.

**Legal Implications**

The City's Procurement Policy (ADMIN-008) requires the Director of Legal Services to execute all contracts that have been awarded by the Bid Committee and Council.

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