



# STAFF REPORT

AGENDA NO: 10a

MEETING DATE: May 16, 2022

**To: Honorable Mayor and City Council**

**Date: May 16, 2022**

**From: Helen Yu-Scott, Finance Director – (650) 558-7222**

**Subject: Adoption of a Resolution Authorizing the City Manager to Execute a Three-Year Professional Service Agreement with Eaton and Associates to Provide Information Technology (IT) Managed Services for the City with an Option to Extend Additional Years as Needed**

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## **RECOMMENDATION**

Staff recommends that the City Council adopt a resolution authorizing the City Manager to execute a three-year professional service agreement with Eaton and Associates for information technology managed services for the City with an option to extend additional years as needed.

## **BACKGROUND**

The City of Burlingame has contracted with Redwood City for information technology (IT) services since July 1, 1998. These services include preserving City's technological infrastructure, supporting enterprise resource planning and software application, maintaining a reliable and secure network environment, and enhancing City services. In August 2021, Redwood City IT indicated to the staff that they would no longer be able to continue providing IT managed services due to their upcoming staff shortage from retirements, and they do not plan to fill these vacancies to avoid any additional long-term liabilities.

## **DISCUSSION**

In November 2021, the City contracted with a consulting firm, Management Partners, to assist in selecting a firm to provide IT managed services upon the contract's expiration with Redwood City on June 30, 2022.

The following describes the work conducted by the consultant to develop the request for proposal documents:

- Review the scope of services provided by the current vendor.
- Interview City staff and City IT-related vendors to identify current IT initiatives and skill sets needed to support the City.
- Review a sampling of support calls and issues.
- Document existing IT assets and existing technology.
- Develop a scope of services and prepare a Request for Proposal (RFP) for these services.

The City's IT Committee was sent a draft RFP for feedback. The committee provided input in written form and/or via Zoom meeting discussions. The City approved a final RFP for distribution. The City released the RFP documents on Monday, January 24, 2022. Nine vendors submitted intent to propose, and the City received eight submissions. Key dates are listed below.

Schedule	Date
Release RFP	Monday, January 24, 2022
Deadline to Submit Intent to Propose Statement	Monday, February 7, 2022, 4:00 p.m. PDT
Virtual Vendor Walkthrough	Week of February 7
Deadline to Submit Proposer Questions	Wednesday, February 16, 2022, 4:00 p.m. PDT
Response to Questions	Tuesday, February 22, 2022
Proposals Due	Tuesday, March 15, 2022, 4:00 p.m. PDT
City Review / Interviews	March/April 2022

During phase one of the evaluation process, five City staff members, one RWC-IT employee, and the consultant rated the proposals. All raters used the same rating sheet, which included defined criteria and items to consider in scoring to ensure a consistent standard was applied. Proposals were evaluated based on qualifications, references, approach to delivering services, 15 questions to elicit the firm understood the requirements, a high level of competency to complete the work, project management, transition plan, and the ability to provide the base services, desktop, and server services, and network and security services defined in the scope of services. The evaluation team recommended four vendors for the next phase of the evaluation.

Phase two of the evaluation process was an interview and reference check. The interview team represented a cross-section of City staff, the consultant, and Redwood City IT. The interview schedule and agenda were sent to each vendor along with an outline highlighting the items that should be addressed during each presentation. All raters used the same rating sheet with a defined rating scale, similar to the RFP evaluation process. After careful consideration, the evaluation team is recommending Eaton and Associates (Eaton) as the City's next IT managed services provider to support the City's technology needs.

The contract will provide 24x7x365 support and management of the City's systems and infrastructure, advanced network security, and cybersecurity monitoring and management. In addition, it will assist in evaluating and recommending the technology that will meet the needs of the City and the community. As part of the first 100 days, the contractor will provide a security assessment with recommendations to fix any immediate issues and recommend other necessary items to ensure the security of the City's network.

Details of the scope of services are attached to the City agreement. However, a summary of the three key service areas is listed below:

**Base Services:** The contractor will assist with purchasing by making recommendations, obtaining quotes for new or renewals, and adhering to all City purchasing policies. The contractor also will deliver and manage projects using consistent methodology; create and maintain accurate documentation related to equipment, change control, standard procedures, and device configurations; ensure service level metrics are met; oversee assets and change management;

provide a helpdesk ticketing system; provide regular reporting; meet regularly with key City staff; conduct an annual technology audit, and assist the City with annual budget development.

**Desktop and Server Services:** The contractor will provide helpdesk services from 7:00 am to 6:00 pm, Monday – Friday via phone, email, or chat. The contractor shall be on site 24 hours a week. The contractor will support desktop hardware and software (computers, laptops); support peripheral equipment (e.g., printers); troubleshoot and resolve problems; patch and manage security on all endpoints; support and interface with all third-party business applications; support server administration and security; and oversee storage, backup, and disaster recovery.

**Network and Security Services:** The contractor will provide a 24X7X365 network operation center (NOC) to manage and monitor the City's network; network administration includes maintaining and monitoring the communication through the Burlingame network, ensuring optimal performance. The contractor also will provide a next-generation security information and event management (SIEM) networking management and monitoring software system to protect and secure the City and maintain all aspects of information security, incident management, firewall services, intrusion protection, penetrating services, system security, and auditing. The contractor is required to utilize NIST security framework and standards to manage the City's network, and ensure all systems are regularly updated.

**Contracting Pricing Discussions:** The City met with the contractor to discuss final pricing. As part of the negotiation, the City was offered a discount related to the vendor's onsite staff costs for year one and year two. The City had requested per equipment unit costs. After discussion, the City proposed to the vendor to provide a flat monthly fee to support the network and security services. The vendor offered pricing that would include the original services and an additional software monitoring system to protect and secure the City. This addition did increase the network and security services from the original proposal.

Fees consist of services and the cost to support technology equipment. The technology equipment costs will be adjusted quarterly based on the number of devices on the City's network. The contract service includes three eight-hour days of onsite I.T. support, systems, and staffing to support the technology needs in the Scope of Services. The City will have the option to flex the usage of the 24 hours a week of onsite staff.

Out-of-Scope Services include items related to implementing new infrastructure, new software systems, or solutions. For example, the City will work with Eaton and Associates to plan and approve an annual work plan. The additional service costs will be budgeted annually. Any major projects will be brought to the City Council. Staff recommends a contingency amount be placed in the budget to cover unplanned projects and services that typically arise for most city agencies.

## **FISCAL IMPACT**

The contract has an initial three-year term. The total proposed amount for years one through three is \$1,706,448, which includes a \$100,000 contingency for planned and unforeseen projects each year. Funding year one of the IT Services and improvements is included as part of fiscal year 2022-23 proposed budget. For each optional one year extension period, the compensation amount will increase by a minimum of 2%, or an amount equal to the change in the Consumer Price Index (CPI) for the area including San Mateo County, but not more than 5%, over the previous contract period. Staff will evaluate the funding needs on an annual basis with the IT managed services provider to ensure that the City can continue to operate a secure and up-to-date IT environment.

Exhibits:

- Resolution
- Professional Services Agreement