

Clause 13 in Report No. 4 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on March 29, 2018.

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Award of Contract for Maximo Maintenance Support and Advanced Application Support Services

Committee of the Whole recommends adoption of the following recommendations contained in the report dated February 14, 2018 from the Commissioner of Environmental Services:

1. Council approve the award of the contract for Maximo Maintenance Support and Advanced Application Support Services to Ontracks EAM Consulting Ltd. (Ontracks), pursuant to Request for Proposal RFP P-17-130 for an initial term of one year at a total cost of \$393,360.55, excluding HST, and authorize the Commissioner of Environmental Services to execute the contract on behalf of the Region.
2. The Commissioner of Environmental Services be authorized to exercise the option to renew the contract for up to four additional one year terms, on the same terms and conditions, except for an annual compensation adjustment, for a total five year cost of \$2,047,064.10, excluding HST, provided that the contractor has performed the services to the satisfaction of the Commissioner.

Report dated February 14, 2018 from the Commissioner of Environmental Services now follows:

1. Recommendations

It is recommended that:

1. Council approve the award of the contract for Maximo Maintenance Support and Advanced Application Support Services to Ontracks EAM Consulting Ltd. (Ontracks), pursuant to Request for Proposal RFP P-17-130 for an initial term of one year at a total cost of \$393,360.55, excluding HST, and authorize the Commissioner of Environmental Services to execute the contract on behalf of the Region.

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2. The Commissioner of Environmental Services be authorized to exercise the option to renew the contract for up to four additional one year terms, on the same terms and conditions, except for an annual compensation adjustment, for a total five year cost of \$2,047,064.10, excluding HST, provided that the contractor has performed the services to the satisfaction of the Commissioner.

2. Purpose

This report seeks Council authorization to award a contract to Ontracks to provide Maximo Maintenance Support and Advanced Application Support Services including license renewal and application development under Request for Proposal P-17-130.

The Region's Purchasing Bylaw requires Council authorization to award a Request for Proposal where the total cost of the contract exceeds \$2,000,000.

3. Background

Maximo is a core system used by Environmental Services to track assets and document regulated services

IBM's Maximo Maintenance Management System (Maximo) is an enterprise asset management system that has eliminated manual tasks and replaced them with automated processes that work faster and create operational efficiencies. Maximo is primarily used by operations to document and track work at Regional water, wastewater and waste management facilities. It is also used to track assets, to plan and schedule maintenance and support regulatory compliance in an effort to sustain efficient business delivery.

Environmental Services has been using Maximo for operations work management and asset management since 2005. Over the past 13 years, Environmental Services has customized Maximo to meet evolving business needs. There are approximately 175 staff currently using Maximo to perform their day-to-day work.

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Maximo is used to proactively manage assets for regulatory activities and preventative maintenance procedures

Maximo is used to support Environmental Services' Asset Management Program and tracks regulatory activities, such as health and safety preventative maintenance procedures, comprehensive station checks, water and wastewater samples and calibration of instruments.

Environmental Services operations uses Maximo to manage linear infrastructure assets to comply with *Ontario Underground Infrastructure Notification System Act* (Bill 8), which mandates that Ontario One Call serve as a single point of contact for all underground utility locate requests in Ontario. Maximo is fully integrated with Ontario One Call system and automatically receives locate requests, creates and assigns work orders, sends notifications to affected parties and communicates locate status to Ontario One Call.

Maximo tracks over 37,000 assets, 151 water facilities, 44 wastewater facilities, 7 solid waste facilities, 363 kilometres of transmission watermains, 113 kilometres of wastewater forcemains and 217 kilometres of gravity sewers. Over \$6 billion in assets are currently managed in Maximo.

Maximo is used in other municipalities and large organizations

Maximo is also used by the Region of Durham, City of Toronto, City of Waterloo, Town of Aurora, Town of Richmond Hill, City of Ottawa, City of Cambridge, County of Lambton, Enbridge, TTC, Canadian Tire, Canada Post, York University, Carlton University, and University of Ottawa.

4. Analysis and Implications

Request for Proposal P-17-130 was issued in December 2017

In accordance with the Purchasing Bylaw (2017-30), Request for Proposal P-17-130 was released in December 2017 to provide Maximo Maintenance Support and Advanced Application Support Services including license renewal and application development. The following is a summary of the scope of services detailed in the Request for Proposal:

- Maximo License Renewal
- Maximo Technical Support
- Maximo Advanced Application Support Services (system improvements, enhancements and/or development)

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The initial term of the contract is for one year with the option to renew the contract for up to four additional one year terms, on the same terms and conditions, provided that the contractor has performed the services to the satisfaction of the Commissioner.

The total cost of a one year contract is \$393,360.55, excluding HST, which includes \$122,760.55 for license renewals and technical support as well as \$270,600 for projects and enhancements. These projects include automation of health and safety inspections, mobile work order management, inventory tracking automations, operations intake process, consolidation and integration of other Environmental Services and Corporate applications with Maximo.

Two proponents responded to the Request for Proposal

In accordance with the Purchasing Bylaw, proponents were invited to submit proposals for this contract through a Request for Proposal that was advertised electronically on Biddingo.com and the Region's Bids and Tenders website.

Three proponents obtained the Request for Proposal documents, and two proponents submitted proposals in response to the RFP. IBM's preference is to use authorized third party resellers for small and mid-market businesses. Both Ontracks and The Createch Group are certified authorized resellers for IBM.

Proposals were evaluated using the two-envelope system

Proposals were evaluated using the two-envelope system where technical and financial information are received in separate sealed envelopes. The overall proposal score was evaluated based on a weighting of 80 points for the technical proposal, and 20 points for the financial proposal. Technical proposals were evaluated without any knowledge of financial information.

The Region's proposal evaluation team reviewed the technical proposals based on criteria listed in the Request for Proposal that included:

- Proven experience in supporting Maximo Spatial, Scheduler and Graphical Assignment, Work Management, Asset Management, Inventory Management
- Demonstrated full understanding of the services and application support requirements to be provided, including details of specific deliverables listed in the RFP
- Experience and qualifications (accreditation) of personnel assigned to provide deliverables of the contract

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Proponents must achieve a minimum technical score of 60 per cent to have their financial proposal opened and considered

Proponents must achieve a minimum technical score of 60 per cent (48 points of the potential 80) to have their financial proposal opened and considered. If a proponent does not achieve this minimum technical score, their financial proposal is returned unopened. Technical and financial results are summarized in Table 1.

Table 1
Proposal Evaluation Summary

Company Name	Technical Score (Out of 80)	Financial Score (Out of 20)	Total Score (Out of 100)	Total Price Exclusive of HST
Ontracks EAM Consulting Ltd.	60.50	20.00	80.50	\$393,360.55
6362222 Ontario Inc. operating under The Createch Group	Failed to meet the minimum score of 60% (48 points) out of the 80 technical points			

Ontracks' bid represents good value for the Region

Ontracks' proposal demonstrated a clear understanding of requirements, provided an experienced team and a well-thought-out support and project delivery approach. Ontracks has been providing Environmental Services with Maximo Maintenance and Advanced Application Support Services since January 1, 2014 and their proposal contained similar rates for support.

Ontracks is a Gold Certified IBM Business Partner and is a leading implementer of Maximo in North America. Ontracks proposed rates for support were compared with other Environmental Services technology support contracts and the rates are comparable to other contracts.

The second vendor The Createch Group failed to meet technical requirements as specified in the RFP. The Createch Group did not offer a warranty on their work as a fundamental component sought within the RFP.

The Procurement Office reviewed the evaluation summary and issued their report confirming that Ontracks be recommended as the successful proponent.

5. Financial Considerations

The total cost of a one year contract is \$393,360.55, with an option to renew the contract for up to four additional one year terms, on the same terms and conditions, except for an annual compensation adjustment, for a total five year cost of \$2,047,064.10, excluding HST.

The Region will review the contractor's performance prior to the expiry of the one year period and any extension years of the contract. Should the Region exercise the option to renew, the Region shall pay the contractor compensation equal to the compensation paid in the previous term plus an increase in an amount equal to the lesser of 2 per cent or the increase in the Consumer Price Index.

Adequate funding is included in the approved 2018 Environmental Services budget for the first year of the contract. Funding for the four one-year renewal options will be requested through future budget processes.

6. Local Municipal Impact

Maximo tracks historical data related to Environmental Services assets located in York Region. Tracking and routine maintenance of our assets helps to mitigate risks associated with incidents such as watermain breaks and restore services to residents in a timely manner.

In addition, Maximo generates a water loss volumes report used as an input for water and wastewater billing invoices that the Region produces for local municipalities.

Continued use of Maximo meets regulatory requirements, evolving business needs and ensures timely and reliable access to business information that supports effective program partnerships with local municipalities.

7. Conclusion

Two proposals were received for Maximo Maintenance Support and Advanced Application Support Services and evaluated in accordance with the Region's Purchasing Bylaw. The proposal from Ontracks represents best value for money to the Region.

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It is recommended that Ontracks be engaged to provide Maximo Maintenance Support and Advanced Application Support Services for an initial term of one year at a total cost of \$393,360.55, with an option to renew the contract for up to four additional one year terms, on the same terms and conditions, except for an annual compensation adjustment, for a total five year cost of \$2,047,064.10, excluding HST.

It is recommended that the Commissioner of Environmental Services be authorized to exercise the option to renew the contract for up to four additional one year terms, on the same terms and conditions, except for an annual compensation adjustment, for a total five year cost of \$2,047,064.10, excluding HST, provided that the contractor has performed the services to the satisfaction of the Commissioner.

For more information on this report, please contact Lucas Cugalj, Director, Business Planning and Operations Support at Ext. 75041.

The Senior Management Group has reviewed this report.

February 14, 2018

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Accessible formats or communication supports are available upon request