



Agenda Report

21-706

Agenda Date: 6/15/2021

REPORT TO COUNCIL

SUBJECT

Approval to Authorize the City Manager to Exercise Four One-Year Options to Extend the Agreement with Unisys Corporation for Information Technology Outsourcing Services with a Maximum Compensation of \$8,356,309 for the Initial Option Ending June 30, 2022 and Future Options Subject to the Annual Appropriation of Funds

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

The City has utilized Information Technology Outsourcing services for close to 35 years. The current agreement with Unisys Corporation was approved by Council on May 16, 2017. The agreement was preceded by a comprehensive IT sourcing strategy that evaluated insourced, outsourced and hybrid models. This was followed by a competitive Request for Proposal (RFP) procurement process. This sourcing strategy defined the outsourcing services that best met the City's requirements and formed the basis of the statement of requirements that was included in the RFP. The RFP process included an extensive evaluation process followed by updated proposals and reference checks being performed. The comprehensive selection strategy included a high degree of departmental participation that allowed the City to take a holistic view of its IT needs. Through this process, Unisys was selected as the "best value" and lowest cost service provider most closely aligned to the City's vision, with capabilities to best satisfy the City's requirements.

This is a performance based and continuous improvement contract. Service Level Agreements are reported regularly covering key service elements such as system availability/uptime, incident/request response and resolution times, and security monitoring and remediation.

The detailed statement of work (SOW) attached defines Unisys' responsibilities to provide the City with comprehensive IT services for all major service areas including IT infrastructure, applications and web, departmental IT solutions, end-user services, and cross-functional capabilities such as a 24x7 management of mission critical systems, helpdesk, cyber security, and project management. The contract also provides for enterprise class tools such as the ServiceNow platform for incident and service request management, change management, configuration management, and knowledgebase.

The initial term of the Unisys agreement was four years, ending on June 30, 2021. The contract also includes four, one-year options to extend the agreement at the City's sole discretion. Based on Unisys' performance over the initial term of the agreement, Staff recommends exercising the option years.

Due to the extensive domain knowledge and expertise needed to manage the City's IT systems and services in a quality, stable and secure manner, and transition costs and business disruption of changing providers, it is beneficial that these types of contract relationships be long term.

DISCUSSION

Over the past four years Unisys has met/exceeded the performance based (SLA) aspects of the contract and is continuously striving to improve and mature its service delivery. Their scope of responsibilities at the City spans two high availability data centers, approximately 260 servers, 50 databases, VoiP/Telephone services for over 1,000 users, email and applications management for over 1,200 users, 880 desktops, 390 laptops, 650 mobile devices, 100 Multi-Function Devices/printers and 164 business applications supporting citywide and departmental core services and business processes. On average 675 tickets are entered monthly into ServiceNow and handled by Unisys staff supporting the City.

Unisys has assisted the City in delivering an impressive list of technology accomplishments, including but not limited to: implementing the City's Public Safety Dispatch system (Hexagon), upgrading PeopleSoft Human Capital Management and Financial Management systems, upgrading our Utility Billing System (Northstar), redesigning the City's (award winning) website, implementing our Agenda Management system (Legistar), refreshing City desktops/laptops while migrating City users to Windows10 and Microsoft O365, and a steady improvement of our cybersecurity posture as the City has continually adapted and improved our cyber defense and response capabilities. This includes hardening our systems and enhancing our vulnerability management program. Cybersecurity has been a key focus area for the City.

Unisys has played a key role in several awards and accolades the City has achieved, including the MISAC Excellence in IT Practices for all years Unisys has supported the City, The 2020 Pinnacle Award for Website, the 2020 NWPPA Excellence in Communications award, and the 2020 CAPIO EPIC Award.

Given the nature of the Unisys services and the ability to manage systems remotely, Unisys was instrumental in helping the City transform our IT services and rapidly respond to the remote access needs due to COVID-19 shelter in place and social distancing requirements. They were able to expand their remote workforce from 10% to 95% in one week, while accelerating remote service capabilities and upskilling their staff to work remotely without any interruption of services to the City.

Unisys also worked tirelessly with City IT staff to transform the City's capabilities to work remote including rapidly deploying laptops and remote access capabilities to City staff, implementing Zoom for public meetings, deploying Microsoft Teams to all City employees for remote collaboration and meeting capabilities, implementing an online portal to ensure all employees had access to key Citywide communications while remote, rolling out softphone capabilities to allow City staff to get their City phone calls on the computer and mobile devices. Given security concerns of remote work they helped implement additional security features such as disk encryption on laptops, ensuring all laptops go through our web filtering service even when outside the network, and enabling a device level firewall to prevent malware attacks and malware spreading.

Unisys also played a key role in helping the City with community related actions in response to COVID-19 such as implementing the technology for the Muni-Service Drive-through services, helped identify utility customers qualified for billing discounts, updated tariff factors, assisting with the online

donations for Help Your Neighbors Program, and the Small Business Loan Program.

Unisys is a valued service provider who has continually shown their commitment to the City. Unisys employees continually demonstrate their willingness to do all they can to help the City achieve our technology objectives. As a corporation Unisys has shown their willingness to work with the City in times of hardship. Based on COVID budget concerns, Unisys has agreed to waive contractual Cost of Living Adjustments for Fiscal years FY20-21 and FY21-22 saving the City several hundred thousand dollars.

Based on all of the above, Staff recommends continuation of Unisys services by exercising the renewal option years pursuant to the terms of the Agreement.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of a California Environmental Quality Act ("CEQA") pursuant to the CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

The FY 2021/22 and FY 2022/23 Proposed Operating Budget includes funding for Unisys services in the Information Technology Services Fund. The contract cost for FY 2021/22 is \$ 8,356,309. Funding for future years is subject to the annual appropriation of funds.

COORDINATION

This report has been coordinated with the Finance Department and the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Authorize the City Manager to exercise up to four one-year options to extend the Agreement with Unisys Corporation for Information Technology Outsourcing Services, with the final option term ending on June 30, 2025 assuming all options are exercised, with a maximum compensation of \$8,356,309 for the initial option year ending on June 30, 2022 and future option years subject to the annual appropriation of funds.

Reviewed by: Gaurav Garg, Director/CIO, Information Technology Department

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Unisys Master Services Agreement & Schedules

A motion was made by Councilmember Jain, seconded by Councilmember Watanabe, to authorize the City Manager to exercise up to four one-year options to extend the Agreement with Unisys Corporation for Information Technology Outsourcing Services, with the final option term ending on June 30, 2025 assuming all options are exercised, with a maximum compensation of \$8,356,309 for the initial option year ending on June 30, 2022 and future option years subject to the annual appropriation of funds.