

CITY OF HAMILTON

**CITY MANAGERS OFFICE
CITY MANAGER**

TO: Chair and Members Audit, Finance & Administration Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: December 9, 2013	
SUBJECT/REPORT NO: Provision of Information Technology Services to Global Spectrum (CM11013(f)) (City Wide)	
SUBMITTED BY: Chris Murray City Manager	PREPARED BY: John Hertel 905-546-2424 ext. 2739
SIGNATURE:	

RECOMMENDATION

- (a) That Section 3.8 – Information Technology Services (IT) of the Management Agreement between the City of Hamilton and Global Spectrum Facilities Management L.P., which was approved by Council on February 13, 2013, be extended for a three month period; from January 1, 2014 to March 31, 2014 as it expires on December 31, 2013, to allow staff to negotiate with Global Spectrum Facilities Management L.P. for the use of the City of Hamilton's IT Services for a period beyond the Transition Year, specifically as it relates to Section 3.8 Information Technology Services (IT) only.
- (b) That staff be directed to report back to the Audit, Finance & Administration Committee on the outcome of those negotiations, prior to the end of the three month period.

EXECUTIVE SUMMARY

As part of the Management Agreement, which was approved by Council on February 13, 2013, and signed with Global Spectrum earlier this year it was agreed that the

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Information Technology (IT) Division would provide IT services to Global Spectrum for the duration of the transition year (2013). Global Spectrum has requested that IT continue to provide IT services after December 31, 2013. All IT services provided to Global Spectrum are charged in accordance with agreed upon rates, which cover the IT costs to the City.

The Global Spectrum contract with the IT Division is to supply limited technical and infrastructure support. The monthly costs paid by Global Spectrum are for a portion of the IT services provided to HECFI and; therefore, Global Spectrum has seen a reduction in the cost of IT service delivery.

The relationship between the IT Division and Global Spectrum has been successful and Global Spectrum requested that the City's IT Division continue to provide IT services. To enable the continuation of the relationship with Global Spectrum, the Legal Services Division has created an amendment to the original section 3.8 of the Management Agreement. However, Section 3.8 states that "In no event shall the City provide the Manager with IT Services beyond the Transition Year."

Alternatives for Consideration – See page 3.

FINANCIAL / STAFFING / LEGAL IMPLICATIONS (for Recommendation(s) only)

Financial: All IT service costs are charged to Global Spectrum.

Staffing: N/A

Legal: Legal Services is working with Global Spectrum's legal representative to finalise the wording for the changes to section 3.8 of the Management Agreement.

HISTORICAL BACKGROUND (Chronology of events)

As part of the original Management Agreement between the City and Global Spectrum, it was agreed that the IT Division would provide IT services to Global Spectrum. The IT Division developed charges to ensure that all the City's IT costs related to Global Spectrum were covered.

The relationship between the IT Division and Global Spectrum has been successful and Global Spectrum requested that the City's IT Division continue to provide IT services. To enable the continuation of the relationship with Global Spectrum, the Legal Services

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Division has created an amendment to the original section 3.8 of the Management Agreement.

POLICY IMPLICATIONS/LEGISLATED REQUIREMENTS

Not applicable.

RELEVANT CONSULTATION

- Legal Services Division
- Information Technology Division
- Clerk's Division

ANALYSIS / RATIONALE FOR RECOMMENDATION

(include Performance Measurement/Benchmarking Data, if applicable)

The City's IT division have provided excellent service to Global Spectrum and Global Spectrum and IT wish to continue the relationship. IT has recovered the costs for all services they have provided. To enable this to continue, modifications to the Management Agreement specifically section 3.8 have to be completed. To ensure sufficient time for the completion of these modifications, the above recommendation has been put forward for consideration.

ALTERNATIVES FOR CONSIDERATION

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

If it was determined that IT was to no longer provide IT services to Global Spectrum a migration period of approximately three months would be required to transfer IT services to another provider. The existing Agreement for these services expires on December 31, 2013.

Financial: Cost of IT services would no longer be reimbursed to the City

Staffing: Not Applicable

Legal: Not Applicable

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN:

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

2.3 Enhance customer service satisfaction.

APPENDICES / SCHEDULES

None.