



**CITY OF HAMILTON**  
**CITY MANAGERS OFFICE**  
**CITY MANAGER**

<b>TO:</b>	Chair and Members Audit Finance and Administration Committee
<b>COMMITTEE DATE:</b>	June 9, 2014
<b>SUBJECT/REPORT NO:</b>	Provision of Information Technology Services to Global Spectrum Facilities Management L.P. (CM11013(g))(City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	John Hertel 905-546-2424, ext. 2739
<b>SUBMITTED BY:</b>	Chris Murray City Manager
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That Section 3.8 of the Management Agreement between the City of Hamilton and Global Spectrum Facilities Management L.P., respecting the provision of Information Technology Services by City of Hamilton Information Technology staff to Global Spectrum, which was extended from December 31, 2013 to March 31, 2014, be further extended to July 31, 2014 to provide sufficient time for Global Services Management L.P. to secure and implement the same or similar services from a private sector provider.
- (b) That staff be directed to assist the Information Technology Services private sector provider, to be hired by Global Spectrum Management L.P., in the transition to enable a seamless transfer of service between the City of Hamilton Information Technology services and the new service provider, for a period not to exceed July 31, 2014.

**EXECUTIVE SUMMARY**

On March 1st, 2013 the City transitioned management of the FirstOntario Centre (formerly Cops Coliseum) and Hamilton Place to Global Spectrum Facilities Management L.P. During the transition to Global Spectrum Facilities Management L.P.

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the City of Hamilton's Information Technology Division (IT) continued to provide limited IT services including technical support at the request of the new operator. At that time, the City of Hamilton IT did transition some technology support services to Global Spectrum Facilities Management L.P.'s central IT provider in the United States including events bookings, human resources and financial management systems.

At the December 9<sup>th</sup>, 2013 meeting of the Audit, Finance and Administration committee it was resolved that staff would prepare a report to Council regarding the continued provision of IT services to Global Spectrum Facilities Management L.P.

To that end City staff requested Global Spectrum Facilities Management L.P. benchmark the City's IT support services and costs with IT support firm in the private sector within Hamilton and surrounding area. Staff provided Global Spectrum Facilities Management L.P. a number of key contacts and supporting information on IT service requirements in support of this exercise.

Following the conclusion of this exercise and discussions with Global Spectrum Facilities Management L.P. it was agreed that it is in the best interest of both parties that Global Spectrum Facilities Management L.P. transition their Telecom and IT service requirements to a private sector service provider(s).

While the expertise resides within the City's IT Division to provide these services, it was clearly part of the Management Agreement that these services would be provided only as a transition offering.

During the transition year of 2013, Global Spectrum Facilities Management L.P. calls for technical support represented approximately 1% of the total volume of calls during the 10 month period between March 2013 and December 2013. Although the impact to the City's IT Division for providing IT services to Global Spectrum Facilities Management L.P. is negligible, there are many City projects that will benefit from this small incremental availability of front line and IT Management personnel.

***Alternatives for Consideration – See Page 4***

**FINANCIAL – STAFFLING - LEGAL IMPLICATIONS (for recommendation(s) only)**

Financial: Discontinuing these services will result in a loss of billed cost recovery revenues from the City of Hamilton to Global Spectrum Facilities Management L.P. of an average of \$8500 per month. There is no impact on the levy as the related costs of equipment and other 3<sup>rd</sup> party services will also be discontinued.

Staffing: There are no staffing implications, but existing Managers and front line staff members will recover small amounts of time to serve other projects and internal clients.

Legal: Has been consulted to ensure that closure is brought to this item.

### **HISTORICAL BACKGROUND (Chronology of events)**

As part of the original Management Agreement between the City and Global Spectrum Facilities Management L.P, it was agreed that the IT Division would provide IT services to Global Spectrum Facilities Management L.P. during the transition year 2013. The IT Division developed charges to ensure that the entire City's IT costs related to Global Spectrum Facilities Management L.P. were covered.

The Management Agreement between the City of Hamilton and Global Spectrum Facilities Management L.P. required the City of Hamilton IT Division to provide a limited number of technical support services from March 1, 2013 to December 31, 2013. This was established to assist Global Spectrum Facilities Management L.P. during the transition from HECFI.

Global Spectrum Facilities Management L.P.'s head office would provide IT support of Event Management Applications, Financial and Human resource systems and the City of Hamilton IT Division would support desktop and infrastructure technical support. This arrangement is consistent with Global Spectrum Facilities Management L.P.'s operation in other communities where they operate entertainment facilities; Global Spectrum Facilities Management L.P.'s head office provides support for corporate applications and a local IT provider facilitates support for onsite technology such as desktops, printers, cellular and network equipment.

At the December 9<sup>th</sup>, 2013 meeting of the Audit, Finance and Administration committee it was resolved that staff would prepare a report to Council on the status of negotiating the potential continued provision of IT services to Global Spectrum Facilities Management L.P... To that end City staff requested Global Spectrum Facilities Management L.P. benchmark the City's IT support services and costs with IT support firm in the private sector within Hamilton and surrounding area. Staff provided Global Spectrum Facilities Management L.P. a number of key contact and supporting information on IT service requirements in support of this exercise. It is as a result of this exercise that Global Spectrum Facilities Management L.P. concluded that they could get the desired level of technology and support from within the Hamilton community of service providers.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

The Management Agreement between the City of Hamilton and IT Division City of Hamilton would have required revision and Council approval if the IT Division of the City were to continue to provide Telecom and IT services to Global Spectrum Facilities Management L.P. Facilities Management L.P. No changes are required now that the service will be de-commissioned.

## **RELEVANT CONSULTATION**

Director Information Technology – City of Hamilton  
Manager Infrastructure & Operations – Information Technology Division City of Hamilton  
Infrastructure & Continuous Improvement Coordinator - Information Technology Division City of Hamilton  
Legal Services Division – City of Hamilton  
City Clerks' Division – City of Hamilton  
General Manager – Global Spectrum Facilities Management L.P.  
Director of Operations - Global Spectrum Facilities Management L.P.  
Director of Finance - Global Spectrum Facilities Management L.P.

## **ANALYSIS AND RATIONAL FOR RECOMMENDATION (Include Performance Measurement/Benchmarking Data if applicable)**

As outlined in the Management Agreement between the City of Hamilton and Global Spectrum Facilities Management L.P., the provision of IT and Telecom services was intended to be a transition service, not long term.

While the expertise exists within the IT Division, providing these services to a private corporation is not a core business for the City of Hamilton, and is best served long term by businesses within the community.

Although the actual volume of calls for technical support was only approximately 1% of the Division's total, this time and that of the Division's Management and Supervisory team can be better utilized on City of Hamilton projects and activities.

## **ALTERNATIVES FOR CONSIDERATION**

The implications of continuing to provide IT and Telecom services to Global Spectrum Facilities Management L.P. were investigated. As stated above, the expertise exists within the IT Division but overall the negatives associated with continuing to provide the service outweigh the benefits, as noted below.

**Financial:**

A Service Level Agreement would have to be negotiated that fully outlined services to be provided, response times, cost structures, and resource allocations. Fees for these services would have to be a premium over other supplier offerings so as not to further subsidize Global Spectrum Facilities Management L.P. nor compete with the private sector suppliers in the community.

**Staffing:**

Support to date at our Help Desk represents 1% of total volume. Additionally, IT Division Management staff are involved in regular meetings, facilities planning etc. While the total time is not significant, front line staff and Management can use the time effectively to serve internal clients and complete important projects on their work plan.

**Legal:**

Continuing to provide IT services and support goes beyond the stated conditions contained in the Management Agreement between the City of Hamilton and Global Spectrum Facilities Management L.P.. This would require an amendment to the Management Agreement, and a Service Level Agreement that includes services to be provided, cost structures, response times and liability, to be approved by Council.

**Policies:**

The requirements of Global Spectrum Facilities Management L.P. to access certain web sites, and to add unique software applications does not always comply with City of Hamilton policies.

**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.*