



Chicago Park District

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AUTHORIZATION TO ENTER INTO A CONTRACT WITH SDI PRESENCE LLC FOR INFORMATION TECHNOLOGY SERVICES

To the Honorable Board of Commissioners of the Chicago Park District

I. Recommendation

Pursuant to the Chicago Park District Code, Chapter 11, Section D.7(a)(i), it is recommended that an order be entered authorizing the General Superintendent and CEO or his designee to participate in City of Chicago Contract #93627 with SDI Presence LLC for information technology infrastructure support services for the Chicago Park District.

II. Award Information

Company: SDI Presence LLC
200 East Randolph, Suite 2550
Chicago, IL 60601

Company Type: Limited Liability Corporation

Contract Term: Five (5) year initial term with two (2) additional two (2) year extension options

Contract Amount: Not-to-exceed \$4,000,000 annually

Scope of Services: Managed IT infrastructure support services, including: Data Center Services, Distributed Computing Services (includes End-User Hardware / Software Provisioning,

Maintenance, and Management); Data Network Services (including On-Going Infrastructure Upgrades and Deployment); Help Desk Services; Cross Functional Services; and Projects Services.

Affirmative

Action Goals: SDI Presence LLC is a Minority-Owned Business Enterprise certified through the City of Chicago. The Chicago Park District Purchasing Department will require a minimum of 5% WBE participation in this contract.

Authorization: Authorize the General Counsel to include other relevant terms and conditions in the written Agreement. Authorize the General Superintendent to execute the Agreement and the Secretary to attest as to the signing of the Agreement and keep an original copy of the Agreement on file.

III. Budget and Financial Information

Budget Classification: IT Operating & Capital
Fiscal Year: 2020-2025
Source of Funds: 001.8230.8230.623020.00001.01.01.0001

IV. Procurement Information

Per the Chicago Park District Code, Chapter 11, Section D.7(a)(i), when it is in the best interest of the Park District, the Director of Purchasing may use Cooperative Purchasing to join in another governmental entity's contract.

In 2017, the City of Chicago ("City") advertised and issued a Request for Proposal (RFP) for Information Technology Infrastructure Services seeking a qualified company with expertise and experience in providing fully managed IT services (Specification No. 416117). On November 21, 2019, the City awarded a contract to SDI Presence LLC ("SDI") for Information Technology Infrastructure Services (Contract No. 93627). The City's RFP was competitively bid and followed the City's Procurement process. The City's RFP was a Target Market RFP, meaning it sought proposals exclusively from a prequalified pool of M/WBE firms. The City has listed the Chicago Park District as an entity that may participate in their contract with SDI. Attachment U of the City's contract states that the Chicago Park District may opt-in later at its own expense, pursuant to the terms and conditions of the contract. The City of Chicago Department of Procurement Services Chief Procurement Officer provided an authorization letter for the Park District to utilize the SDI contract on January 6, 2020 (attached).

The City's Contract with SDI is a good match for CPD's required IT services. CPD desires moving from its current IT staff augmentation operating model to a fully managed IT service model for infrastructure support. The cancelled 2016 RFP issued by the Park District, which sought fully managed IT services (Spec. No P-15021), was used as a baseline to compare against the Scope of work within the City's contract. CPD IT and Law requested a third party review by the Park District Office of the Inspector General to ensure the scope of services in the City's contract with SDI aligns with the IT services the Park District wants to retain as reflected in the 2016 CPD-issued RFP. The Office of the Inspector General's review came back in agreement that the scope substantially aligns.

An IT managed services contract requires detailed service requirements to develop the RFP, advertising, proposal review, vendor selection, and contract negotiation. The City's process for the IT Infrastructure Services RFP took 2+ years to complete. Participation in the City's Contract will benefit CPD by saving extensive administrative time and costs associated with a CPD-issued RFP.

Participation in the City's Contract will ensure competitive pricing due to the scale of the City's Contract. The City's contract includes a tiered compensation model which specifically addresses the City's Joint Procurement Strategy. This model guarantees that increases in total units of service will yield a reduction in the unit cost for services offered by the contractor. Although a final price for a contract between CPD and SDI has yet to be negotiated, a comparison of the hourly rates for resources in the City's managed services contract compared to CPD's current IT support services contract shows savings of approximately 19%. However, other variables will need to be considered when a managed service provider prices a service, including service level requirements and environment size/complexity. Nonetheless, given the scale and complexity of the City's IT infrastructure and purchasing power in comparison to the Park District, along with the tiered compensation model incorporated within the contract, joint purchasing off of the SDI contract will ensure pricing at rates the Chicago Park District would unlikely receive if we were to bid these services out ourselves.

V. Explanation

The Chicago Park District Department of Information Technology develops, implements, supports, and maintains all technology utilized by the Park District. This includes hardware and software applications for enterprise-wide computer systems, desktop and network equipment, telephony systems and the public-facing applications.

The underlying IT infrastructure which enables the Park District's diverse business operations has many facets:

- An end user computing environment consisting of 1,600 workstations, 350 printers, 3,000 user accounts, and 2,300 email accounts
- A data center containing core network gear, security appliances, and 60+ servers hosting numerous enterprise applications
- A data network comprised of 280 subnets across 250 park facilities, connecting hundreds of access points, routers, and switches
- An IT help desk that manages 8,000+ support tickets generated by CPD staff on an annual basis

As a service department first and foremost, one of the CPD IT Department's primary jobs is to understand business needs and meet IT service expectations across varying audiences: Park District staff and public guests expect that park sites are always connected and accessible. CPD's end users expect immediate IT assistance and expertise when problems arise. Administrative staff expect applications remain up and running to support core business processes. Leadership expects IT to deliver innovation and efficiencies to the Agency while keeping our network and data secure. To meet these expectations, a service-level driven, fully managed IT service contract with SDI Presence LLC is being proposed.

The SDI agreement will be a managed service contract: A managed service model is outcome driven, where the vendor is highly incentivized to establish productivity measures and efficiencies required to meet the service levels agreements (SLA's) outlined in the contract. The vendor assumes more control of the execution component of IT and accepts the service delivery risk at a fixed cost under this model.

CPD's existing agreement for IT support services is a staff augmentation contract: This model is input driven, where the vendor commits to providing resources of defined capability and price. The vendor assumes less control of the execution component of IT and is less incentivized to establish productivity measures. Under a staff augmentation model, the Park District takes on full risk of the IT operation and service outcomes are not contractually guaranteed.

SDI will provide IT managed services in the following areas:

- Data Center Services
- Distributed Computing Services (including End-User Hardware/Software Provisioning, Maintenance and Management)
- Data Network Services (including On-Going Infrastructure Upgrades and Deployment)
- Help Desk Services
- Cross Functional Services
- Projects Services

SDI Presence LLC is a Chicago-Based, Minority-owned Business Enterprise (MBE) certified by the City of Chicago. SDI has been providing IT Managed services for over 20 years and has built an expertise in addressing the higher technical and security requirements of critical, high-value environments. SDI's portfolio of clients includes airports, seaports, mass transits, utilities, and government agencies.

V. General Conditions

1) *Conflicts*: The Agreement shall not be legally binding on the Chicago Park District if entered into in violation of the provisions of 50 ILCS 105, the Public Officer Prohibited Activities Act.

2) *Ethics*: The Chicago Park District's Ethics Code, Chapter III of the Code of the Chicago Park District, shall be incorporated into and made part of the agreement.

3) *Contingent Liability*: Any agreement lawfully entered into for a period of more than one year shall be executory only for the amounts for which the Park District may become liable in succeeding fiscal years pursuant to 70 ILCS 1505/17(i). The agreement shall contain a clause that any expenditure beyond the current fiscal year is subject to appropriation in the subsequent fiscal year budget.

4) *Economic Disclosure Statement* ("EDS"): Contractor has not yet submitted an EDS form to the Chicago Park District. SDI has filed an EDS electronically with the City of Chicago on 08/01/2019, EDS #128285 for Contract #93627