

REPORT Regional Council

DATE:

September 1, 2010

REPORT TITLE: CONTACT MANAGEMENT SYSTEM TECHNOLOGY, SOLUTION,

PROFESSIONAL SERVICES AND SUPPORT

DOCUMENT NUMBER 2009-591P

FROM:

R. Kent Gillespie, Commissioner of Employee and Business Services

RECOMMENDATION

That the contract (Document Number 2009-591P) for Contact Management System Technology Solution, Professional Services for implementation and ongoing Maintenance and Support be awarded to Lagan Technologies (Canada), Inc. in the amounts as follows:

- Product and licensing: \$1,791,921,
- Professional Services for Implementation: \$1,899,492,
- Annual maintenance and support from 2012 to 2018: \$2.676.216.

for a total of \$6,367,629 (excluding applicable taxes) in accordance with Purchasing Bylaw 63-2008;

And further, that all contracts and other documents required in relation to this award, including the Master Agreement for six years plus two optional one year extensions based on performance, Statements of Work and any amendments required, be executed by the Region's signing officers.

REPORT HIGHLIGHTS

- Customer Service Integration, a five year program of projects, was launched in 2008.
- Mapping and functional analysis of service access processes, and gathering of requirements for a technology supported infrastructure, was completed in 2009.
- It was determined that the quality, consistency, and reporting of service access provided to the citizens can be significantly improved through the use of an enterprise Contact Management System.
- The Region issued a Request for Proposal (RFP) to engage a Vendor for Contact Management System Technology, Solution, Professional Services and Support.
- Request for Proposal 2009-591P was competitively bid and Lagan Technologies (Canada), Inc. is recommended for award.

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DISCUSSION

1. Background

In 2007 the Corporate Services Department initiated and conducted a corporate wide investigation project with an objective of recommending technology and business changes required to support an integrated multi-channel customer service approach within the Region of Peel. The investigation project, which engaged AtFocus Inc. and representatives from the Region's Health, Human Services, and Public Works Departments, along with the Corporate Contact Center developed several recommendations. One recommendation was the establishment of a technology supported infrastructure which enables service delivery through multiple access channels, captures service request information, facilitates self-service transaction initiation and completion, provides request status updates, automates service request workflow, and contains a comprehensive knowledge base of information related to services offered by the Region. In 2008, Customer Service Integration (CSI), a five year program, was launched to support implementation of these recommendations.

2. Findings

The Council Report for the Customer Service Integration Functional Analysis and Process Mapping was approved via resolution 2009-116. KPMG LLP was engaged to work with the same department representatives to identify requirements for a customer service technology. Functional analysis and process mapping was completed to establish functional requirements across most of the Regional services. Extensive research and evaluation of various software implementations across other municipalities was also conducted. In parallel with requirements gathering, a detailed technical analysis of the systems currently in use was conducted. It was determined that the systems currently in use are either not capable of fully supporting the Region's requirements or are no longer technically supported. Instead of acquiring several different software systems, the opportunity to use a new single Contact Management System (CMS), thus avoiding duplicate spending, was investigated.

In June 2009 the CIO approved the CMS business case and the CMS technology acquisition project was launched. It was agreed that a CMS would improve technical capability by upgrading or replacing existing systems to provide an integrated solution to all departments. The CMS, when implemented, will be accessible enterprise-wide and improve citizens' access to services.

3. Procurement Process

The Region issued RFP Document 2009-591P on March 23, 2010 and it was publicly advertised in the Toronto Star, The Globe and Mail, and the Region of Peel website. 54 proponents requested copies of the RFP with four submissions received on the closing date of Wednesday May 12, 2010.

The development of the RFP was facilitated by two independent consultants; KPMG LLP who helped to develop the appropriate specification for the procurement of the software, facilitated the evaluation team in review of the Proponent's submissions, and completed an audit of the pricing submissions; and Miller Thompson LLP, who facilitated the drafting of the legal requirements of the RFP along with the negotiations of the contract.

The CSI Program Manager and the evaluation team, consisting of staff from Purchasing,

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Information and Technology Services, Human Services, Health Services, Public Works, and the Customer Contact Centre, reviewed and scored the submissions in three distinct stages.

4. Evaluation of Submissions

In Stage 1, all bids were reviewed for compliance with the mandatory requirements as set out in the RFP, all bids were found to be compliant with the exception of The Active Network Ltd. which was found to be non-compliant and therefore not given further consideration. The three compliant submissions; Lagan Technologies (Canada), Inc., Deloitte Inc., and EMA Canada Inc. proceeded to Stage 2.

Stage 2 consisted of three parts. Part 1 involved the evaluation of the written component of the proposal submitted by the Proponents. Part 2 required that each Proponent demonstrate their CMS proposed technical and functional capabilities. Part 3 required that the evaluation team view a live demonstration of the proposed CMS software at the location of one of the Proponents current customers.

In Stage 3, Purchasing opened the pricing envelopes and evaluated further for award. Once Purchasing had completed their pricing evaluation, KPMG LLP was asked to confirm the finding by auditing the pricing sheets.

The Proposal from Lagan Technologies (Canada), Inc. received the highest overall ranking when combining technical proficiency and price.

The summary of the ranking is as follows:

Vendor Name	Location	Overall	Technical	Financial
		Ranking	(80%)	(20%)
Lagan Technologies (Canada), Inc.	Ottawa, ON	1	1	1
Deloitte Inc.	Toronto, ON	2	2	2
EMA Canada Inc.	Oakville, ON	3	3	3

The evaluation team concluded that the Lagan Technologies (Canada), Inc. proposal provided the best overall value for the Region. In accordance with the RFP, the Region entered into negotiations with Lagan Technologies (Canada), Inc. for the creation of a contract for the Contact Management System Technology, Solution, Professional Services and Support.

A contract was drafted (the "Draft Agreement") by the Region's external legal counsel, Miller Thompson LLP, with support from the Region's internal legal counsel, which reflected the terms and conditions that applied to the procurement of the goods and services described in the RFP. The negotiation process began on August 4, 2010 with the Draft Agreement being provided by the Region to Lagan Technologies (Canada), Inc.

The Region and Lagan Technologies (Canada), Inc. are continuing to work towards achieving a mutually acceptable agreement in principle. Based on the negotiations a final version of the agreement will be prepared by the Region for execution. The Agreement is to be executed by both parties, conditional upon obtaining the approval of Peel Regional Council.

The Agreement includes:

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- 1. A Master Agreement, which describes the terms and conditions regarding the purchase of applicable software licenses and related maintenance, support and professional services:
- 2. A Statement of Work, which describes the specific goods and services to be provided to the Region by Lagan Technologies (Canada), Inc. in accordance with the terms and conditions of the RFP and the Master Agreement.

FINANCIAL IMPLICATIONS

Funding for this contract in the amount of \$3,691,413 will be provided from capital projects 09-7110 and 10-7110. The balance of \$2,676,216 represents the annual support and maintenance fees of \$378,883 commencing in 2012 increasing to 386,839 in 2017 and \$394,962 in 2018 to be funded from future operating budgets.

CONCLUSION

Lagan Technologies (Canada), Inc. is a responsive and responsible vendor and is therefore recommended for award of a six year Agreement for the purchase of Contact Management System Technology, Solution, Professional Services and Support in the estimated amount of \$6,367,629 (exclusive of applicable taxes) and, at the option of the Region, that at the conclusion of the six year term, the Agreement be extended for up to two additional one year terms.

Reacht Gillespie
Commissioner of Employee
and Business Services

Approved for Submission:

D. Szwarc, Chief Administrative Officer

For further information regarding this report, please contact Sharon Harbajan at extension 4873 or via email at sharon.harbajan@peelregion.ca

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