



Direct Award: OnX Enterprise Solutions Ltd Hardware and Maintenance Agreement for Data Centres

Item 8

May 28, 2024

Building Investment, Finance and Audit Committee

Report: BIFAC:2024-46

To: Building, Investment, Finance and Audit Committee
("BIFAC")

From: Vice President, Information Technology Services

Date: May 3, 2024

PURPOSE:

This report seeks Building, Investment, Finance and Audit Committee ("BIFAC") approval of a direct award to OnX Enterprise Solutions Ltd. ("OnX") a commitment governing work required to replace critical hardware necessary to manage and automate data centre operations in TCHC's two data centres with a value of \$1,203,560.97.

BIFAC approval is required for the recommended award as the Procurement Award Committee ("PAC") does not have the authority to approve a direct award.

RECOMMENDATIONS:

It is recommended that Building Investment, Finance and Audit Committee:

1. approve a direct award of the following work to OnX Enterprise Solutions Ltd.:
 - (a) \$909,228.73 for critical hardware replacement;
 - (b) \$179,333.24 for maintenance of hardware for a period of five (5) years; and
 - (c) \$114,999.00 for implementation services.

2. authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

REASONS FOR RECOMMENDATIONS:

Background

Information Technology Services (“ITS”) is required to keep critical infrastructure current and fully supported. In 2024, critical hardware located in TCHC’s two data centres requires replacement in 2024.

Procurement Process

Pursuant to Report BIFAC:2023-113 (Strategic Procurement Update: Co-Operative Purchasing), pending changes to the TCHC’s procurement governance procedures to recognize and facilitate co-operative purchasing including using Supply Ontario VORs arrangement, co-operative purchasing should be approved as a direct award where it can be established that the purchase falls within one of the existing direct award categories.

The direct award is recommended under the following justification under Section 4.3(a) of TCHC’s Procurement Procedures:

- xiv. b) Total Cost of Ownership (TCO), of the purchase, including but not limited to increased productivity and efficiency, project site sequencing, staff labour savings, implementation, or usability benefits.

Strategic Procurement Unit (“SPU”) has identified opportunities with Supply Ontario VORs arrangement that have been pre-qualified by the Province of Ontario to take advantage of superior pricing that may be available through such arrangements. SPU consulted Supply Ontario and confirmed TCHC’s status as an eligible entity to participate as a member of the VOR arrangement. This VOR is open to non-OPS entities and TCHC is a non-OPS entity for the purposes of this VOR. City of Toronto also currently participates in Supply Ontario VORs, unlike a number of other public entities in the municipal public sector.

Supply Ontario has established OnX Enterprise Solutions Inc. as a VOR and entered into a VOR Agreement with them for x86 Server Products Maintenance Services and Related Services based on the outcome of Tender

15733. The term of the VOR Agreement expires on June 26,2025 and is open to non-OPS entities.

OnX Enterprise Solutions Inc has been identified as the qualified vendor who was able to provide significant discounts to TCHC for the required hardware and maintenance. TCHC is leveraging this VOR and will be engaging with the vendor in accordance with the requirements of the terms of the Supply Ontario Procurement Operational Guidelines for Buyers.

IMPLICATIONS AND RISKS:

OnX is a Cisco Gold Partner and has provided hardware and services to TCHC in the past. Failure to replace this critical hardware and obtain a maintenance agreement with the manufacturer of the equipment puts TCHC and TSHC at risk for hardware failure and will result in disruption and downtime impacting the organizations' ability to provide services to tenants.

Funding for this Award is within the 2024 ITS Operating and Capital Budgets. A portion of these costs will be recovered through the Shared Delivery Agreement with TSHC. Funding for future years will be requested in each consecutive year of the term from the ITS Operating and appropriate costs recovered through the Shared Delivery Agreement.

SIGNATURE:

"Luisa Andrews"

Luisa Andrews
Vice President, Information Technology Services

STAFF CONTACT:

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**Confidential
Attachment 1:**

Detailed Pricing

**Reason for
Confidential
Attachment:**

Third party commercial information supplied in confidence and commercial information belonging to TCHC that has monetary value or potential monetary value and whose disclosure could reasonably be expected to be injurious to its financial interests.