

# South Bay Cities Council of Governments

November 4, 2019

TO: SBCCOG Steering Committee

FROM: Jacki Bacharach, SBCCOG Executive Director  
Chandler Sheilds, SBCCOG Staff

SUBJECT: I.T. Managed Service Provider for SBCCOG

## Adherence to Strategic Plan:

*Goal D: Organizational Stability.* Be a high performing organization with a clear path to long-term financial health, staffing continuity, and sustained board commitment.

## **BACKGROUND**

SBCCOG's contract with its current I.T. managed services provider, SugarShot, concludes on January 31, 2020. These services maintain an operational and secure office I.T. environment while troubleshooting software and device issues for staff. The term of the agreement was three years, at a monthly rate of \$2,445.00. Prior to this agreement, SugarShot (then CSG) transitioned SBCCOG's I.T. system databases into the cloud (Microsoft Office 365) in 2016.

SBCCOG staff has also identified two enhancements needed in addition to the current suite of services provided by SugarShot: 1) reinforced email security in consideration of recent fraudulent emails in our system, and 2) file back-up in the cloud beyond the existing Microsoft servers to ensure the safety of the organization's digital assets and records.

## **ANALYSIS**

SBCCOG staff researched vendors for a new contract term that supports the Microsoft Office 365 environment with the additional needed enhancements. SugarShot, along with 2 other vendors submitted the attached proposals—Prosum (current client list and references include cities of Hermosa Beach, El Segundo, Palos Verdes Estates, and Rancho Palos Verdes , Beach Cities Health Districts, and West Basin MWD) and SHARP (current client list and references include Kola 99.9, JVS SoCal (non-profit), PKL Services, Inc., and Pauma Band of Mission Indians (government agency)). It is important to note that the SBCCOG's I.T. service needs are on par with those of a small business or non-profit.

To provide comparative proposals, SBCCOG staff requested costs that cover current staffing needs and devices in the following categories: managed user and device support (Help Desk); security/performance monitoring and I.T. network support; and file back-up. Rates are based on the number of users and devices. Below is a summary of the total costs by vendor:

<b>Firm</b>	<b>Monthly Rate</b>	<b>One-Time Costs</b>
SugarShot*	\$ 3,158.00	\$ 499.00
Prosum	\$ 2,890.00	\$ 5,000.00
SHARP	\$ 1,001.00**	\$ 2,640.00

*\*Note: SugarShot's proposal includes three separate month costs which have been totaled. Since SugarShot is SBCCOG's current vendor, they will not charge for on-boarding/transition but require a one-time cost to set up file back-up.*

*\*\* Note: SHARP's monthly rate in the quote is listed at \$1,319.75 which allows for future staff growth. In conjunction with SHARP the amount has been reduced by \$318.75 for comparisons with other vendors.*

There are additional taxes and fees for each vendor based on various as needed services such as onboarding new employees, on-site trouble shooting, and implementation of new software solution. These costs are not included in the table above as they are potential future services and the specifics are unknown at this time. SBCCOG staff is proposing a cushion of \$4,000.00 for these services.

SHARP's service package is comparable and related costs are significantly less. SHARP was purchased by Foxconn (company that assembles iPhones) in 2016. In 2018, after the acquisition of Pink Hat, they enhanced their managed I.T. services within their industry portfolio (in addition to making screens, displays, printer/copiers, etc.). Leveraging the resources from Foxconn, they have become a serious cost competitor in the I.T. managed services market. SBCCOG checked all of SHARP's references and they provided positive feedback regarding customer service, software/hardware expertise, and problem solving. JVS SoCal, a workforce development non-profit that collaborates with SBWIB, has contracted with SHARP's I.T. managed services and originally worked with Pink Hat for several years before its 2018 acquisition. JVS is currently expanding the scope of SHARP's services to more than 125 employees.

SBCCOG staff is recommending SHARP because the vendor is capable of supporting the organization's modest operation as well as potential for growth. Their cost proposal is within the approved 2019-2020 SBCCOG Budget. With their competency being comparable to the other vendors at a significantly lesser cost, staff believes that SHARP is the best solution for SBCCOG's I.T. managed service.

### **RECOMMENDATION**

Recommend Board approval the following in a total amount not to exceed \$42,676:

- 3-year agreement with SHARP not to exceed a monthly rate of \$1,001.00
- Budget for on-boarding/transition with SHARP in an amount not to exceed \$2,640.00
- Contingency for potential needed services through 2023 in an amount not to exceed \$4,000.00
- Future years' staff growth will be handled through the annual budget process