Data Centre
Feasibility Study & Business Case for
Sault Ste. Marie
Request for Proposals

Participant Instructions
Posted December 10, 2013
Sourcing Agent
Jason Naccarato
(705)254-9216
jnaccarato@ssmic.com
NOTICE
REQUEST FOR PROPOSAL

Sealed Proposals for feasibility study for Development of a Data Centre in Sault Ste. Marie

This RFP shall remain open until end of business day, **4:30 P.M., Friday January 3rd, 2014**

All questions concerning this Request for Proposal shall be directed to:

Jason Naccarato
Sault Ste. Marie Innovation Centre
1520 Queen Street East, Room NW 307
Sault Ste. Marie, ON
P6A 2G4
E-mail: jnaccarato@ssmic.com.

The Sault Ste. Marie Innovation Centre (SSMIC) in partnership with Sault Ste. Marie Economic Development Corporation (SSMEDC) reserves the right to reject any or all proposals and to award the contract in its entirety, or in part, whichever in its opinion best serves the interest of SSMIC and SSMEDC.
1. Introduction

The Sault Ste. Marie Innovation Centre (SSMIC) in partnership with Sault Ste. Marie Economic Development Corporation (SSMEDC) and on behalf of a group of community stakeholders, is pleased to issue this RFP. We are inviting consultants to take part in developing Data Centre feasibility study for the Sault Ste. Marie area.

The completion of this Data Centre feasibility study is an important step in achieving our vision for to grow the IT sector in our community. We require a strategy that identifies specific actions we can take and recommendations that will result in the ability to make a thoughtful and considered decision to proceed to the next step in the development of this project.

The chosen consultant will be working with a local team who will assist in facilitating engagement with the necessary community stakeholders required to complete the work described in the study scope section. The consultant is expected to bring demonstrated experience and knowledge of the ICT sector including:

a) Shared Data Centers
b) Current state of the industry (Data and Contingency Centres)
c) Emerging technologies being deployed globally for Data and Contingency Centres
d) Intelligence on business best practices for Data and Contingency Centres
e) Information about other leading communities or jurisdictions in the sector.
f) Information on data centre design, layout, physical assets and facility requirements
g) Knowledge of different business models for a shared Data Centre facility

This information will be compiled into a concrete, strategic action plan. To achieve our desired end result, we expect the consultant to provide actionable recommendations to the stakeholder team based on the deliverables identified in the scope section along with best practices gathered from the consultant’s experience and knowledgebase.

Sault Ste. Marie has achieved an impressive level of activity in the ICT sector. We look forward to working with the consultants to develop an executable strategy that will enable the community to continue to grow the ICT sector and take advantage of the competitiveness that naturally exists both geographically and intellectually in Sault Ste. Marie.

2. Background

The project partners wish to retain the services of a consultant or firm(s) to determine the feasibility of developing a new Data Centre in the city of Sault Ste. Marie, Ontario. The project is being pursued the Sault Ste. Marie Innovation Center’s mandate to grow the Science and Technology Sector in partnership with the SSMEDC.

The intent of this study is to assist in the development of a state-of-the-art data centre that enables the provision of integrated information and communication technology services, expertise and infrastructure whereby organizations and businesses may share these resources such as computing and networking, data services, visualization, data storage, data archiving and secure destruction, cloud computing, and software applications. There are economies of scale
with this model of sharing infrastructure and services, as a multitude of clients or users have access to the resources and services that are usually found in limited capacity within each of the organizations. The clients typically do not have the resources to be state-of-the-art in terms of technology or expertise.

This feasibility study will investigate the potential for a Data Centre in Sault Ste. Marie. The report will analyse customer wants and needs, and how this center will be able to competitively provide a service to the target customers. A detailed investigation into the physical assets, design and space requirements (Facility), deployment of technology, and implementation of ICT related services with established partnerships / staffing (People) is also required. This study will need to investigate the feasibility of creating a facility that would provide clients with services such as:

- Co-location
- Self managed rack space/cages
- Managed hosting of own services
- Managed hosting on rented server space
- Shared on-demand infrastructure services
- Short term provision during problem periods
- Off-site data backup
- Data archive or repository
- Business Continuity Disaster Recovery
- Full secondary site
- Application Hosting
- Desktop deployment (including thin client) and support
- Usage of Software as a Service (SAAS) products
- Provisioning of SAAS products
- Usage of Infrastructure as a Service (IAAS) products
- Provisioning of Infrastructure as a Service (IAAS) products
- Full service monitoring and support

This feasibility study will involve the following activities:

1.) Interviewing key personnel to determine interest in the services provided by a Data Centre at local organizations in:
   a. Health Care
   b. Education
   c. Financial Institutions
   d. Major Industries
   e. Utilities and Energy
   f. Start-ups
   g. Existing IT Companies
   h. government
   i. Charitable Gaming

2.) Quantifying the services that would be used by the interviewees in the areas of
   a. True Disaster Recovery Site based on functionality, practicing and available seats
   b. Secure data storage service which allows clients to store data and escrow code in a secure manner.
   c. Fail over site for services
ISO standards to adhere to which enables the clients/partners to quantify using the services to ensure to their clients, boards and management that services and data will be handled according to their already existing policies.

e. Assessing the level of interest that national and multinational organizations might have, in using the services provided by such a facility in Sault Ste. Marie.

3.) Discussing with local stakeholders opportunities for growth and value added services based on regional strengths and needs. This would include strategic thinking that could move a facility beyond just a data centre but also incorporate other value added activities. Further, the modernization efforts of Ontario Lottery and Gaming may present unique opportunities for Sault Ste. Marie’s ICT sector that need to be discussed and considered.

This project will gather critical data that, if positive, will result in a project that further positions SSM as a leader in the Information Technology Sector and will stimulate effective ICT projects moving forward. The knowledge gained in the development, construction and operation of this facility could provide a template for local organizations to replicate similar projects across Northern Ontario. This would provide further wealth creation in SSM.

3. Study Purpose

The purpose of the study is to identify the feasibility of establishing a data centre. An analysis of the concept would be undertaken including an assessment and recommendations on physical assets, design and space requirements and specifications, costs estimates (within ±25%) and benefits of a that will serve facilities globally from the city of Sault Ste. Marie. This report will also gauge customer expectations, interests and price points needed to be competitive for the identified services.

4.1 - Scope of Work: Feasibility Study – Phase One

1. Conduct an interview survey within a defined customer prospect list and identify existing and potential opportunities that could be realized with the creation of data centre. As a minimum the consultant will interview the following local organizations:

- Sault College
- Extendicare
- Algoma District School Board
- Huron Superior District Catholic School Board
- Ontario Lottery and Gaming
- The Sault Area Hospital
- Algoma University
- Sault Area Police
- Essar Steel Algoma
- Tenaris
- Group Health Center
• McDougall Energy
• GP Flakeboard
• The FJ Davey Home
• Ontario Provincial Police – SSM Detachment
• ACCLAIM Ability Management Inc.
• City of Sault Ste. Marie
• Sault Ste. Marie Innovation Centre
• Canadian Banknote Corporation

In addition to this the consultant will also interview a minimum of 10 pre-approved external firms to gauge interest in the services to be offered by the data centre.

2. Conduct site assessment of the facility requirements and equipment needs.
3. Identify anticipated monthly electricity requirements and data transmission needs.
4. Estimate approximately size and footprint of the Data Centre.
5. Identify the required staff.
6. Identify capital and annual operating costs for the proposed data centre
7. Develop a financial spreadsheet model that will determine the revenue required from the sale services in order to achieve the greatest rate of return on investment. The spreadsheet model software will be provided with the final report of the study. The spreadsheet model software will be provided with the final report of the study.
8. Provide a schedule for the design, construction and commissioning of the proposed data centre.
9. Provide a final report within eight weeks of signing a contract to undertake the study.

4.2 Scope of Work: Feasibility Study – Phase Two

The phase two feasibility study will be a Business Case that will be built on the outcomes of the phase one feasibility study for the facility and would involve the following activities:

1) Executive summary
2) Timescale and investment analysis
3) Options evaluation
4) Development of standard management practices
5) Complete costing of the facility
6) SWOT analysis
7) 5 year Pro Forma statements for the operation of the facility
8) A marketing plan

The phase two study for the development of a Data Centre should allow the community to create a detailed plan for the implementation of such a facility. This plan will include strategy for but not limited to:
• Increase Local ICT Technical capacity
• Demonstration / Proving — Investment potential both externally and internally
• Local ICT Efficiencies — Economies of Scale
• Develop / Expand ICT skilled Labour
• Direct Economic Benefits (jobs, taxes ..etc)
• Indirect Economic Benefits (spin off jobs, education ..etc)
• Diversified Northern Economy
• A state of the art IT services facility like this would be attractive to those considering inbound investment in the community.

Overall we feel that there is great potential for Sault Ste. Marie. In addition, the additional goal is to understand the job creation potential and the quality of those jobs. The feasibility and the business case will hone in these numbers.

5. Evaluation and Selection
The evaluation and selection will follow a point system for the technical portion of the proposal (total 80%) and the fee portion will be worth 20%. Points for the fee portion of the work will be made on a pro-rated basis. The following points allocation is provided for the technical portion of the proposal.
Table I: Evaluation Criteria.

<table>
<thead>
<tr>
<th>Points</th>
<th>Consultant A</th>
<th>Consultant B</th>
<th>Consultant C</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Firm</td>
<td>✓ Experience with data centre projects</td>
<td>✓ Knowledge of technology trends and familiarity with marketplace</td>
<td>✓ Firm Background and Qualifications</td>
</tr>
<tr>
<td></td>
<td>15</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>2. Project Team</td>
<td>✓ Project Manager</td>
<td>✓ Project Team members, roles, experience and qualifications</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>3. Methodology and Approach</td>
<td>✓ Overall Approach to completing scope of work tasks</td>
<td>✓ Ability to identify and make connections with other jurisdictions and technology companies</td>
<td>✓ Identification and incorporation of external stakeholders</td>
</tr>
<tr>
<td></td>
<td>20</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>✓ Creativity and innovation</td>
</tr>
<tr>
<td>4. Schedule</td>
<td></td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>5. Total Score of</td>
<td></td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

6. Award of Proposals

This Request for Proposal should not be construed as a contract to purchase goods or services. Subsequent to the submission of proposals, interviews may be conducted with some of the proponents, but there will be no obligation to receive further information, whether written or oral from any proponent. SSMIC and or its partners will not be obligated in any manner to any proponent whatsoever until a written contract has been duly executed relating to an approved proposal.

7. General Instructions

- **Timing.** Time is of the essence in the contract resulting from this proposal. The milestones for the feasibility study are:
  - RFP Review meetings where J. Naccarato conducts a phone meeting with each consultant upon request – Dec 16-18th
  - RFP Submission date – January 8th, 2014, 4:30 pm (Electronic Submission Accepted)
  - Source Selection – by January 10th
  - Expected feasibility phase one completion date – February 27th, 2014
  - Expected feasibility phase two completion date – April 16th, 2014

Candidates will be expected to visit Sault Ste. Marie for during the course of the project and to present at the end of Phase I.

- **Contract Administration.** All questions concerning this Request for Proposal shall be directed to: Jason Naccarato, Phone 705-942-9216 Monday through Friday, 8:30 A.M. to 4:30 P.M. or E-mail to jnaccarato@ssmic.com.
• **Coordination.** After contract award, all coordinating for services will be with Jason Naccarato of SSMIC who will be the main project contact. Partnering organization SSMEDC, will be represented by John Febbraro, who will be responsible for contractual aspects of the RFP. The successful proposer shall designate in writing, a project manager and all coordination for services between SSMIC and the successful proposer shall be the responsibility of the respective managers.

• **Budget.** The budget for the project is up to $70,000 for the external consultant. Payment terms are to be Net 60 days.

• **Proponents Expenses.**
  - Proponents are solely responsible for their own expenses in preparing, delivering or presenting a proposal and for subsequent negotiations with SSMIC, if any.
  - The submission of a proposal shall be considered an agreement to all the terms and conditions provided herein and in the various proposal documents, unless specifically noted otherwise in the proposal.

**Currency and Taxes.** Prices are to be quoted in Canadian Dollars, inclusive of HST.

8. **Legal**

• **Indemnity.** If the contract is awarded, the successful proposer will be required to indemnify and hold SSMIC harmless and against all liability and expenses, including solicitors fees, howsoever arising or incurred, alleging damage to property or injury to, or death of, any person arising out or attributable to the consultants performance of the contract awarded. Any property or work to be provided by the consultant under this contract will remain at the consultants risk until written acceptance by the SSMEDC; and the consultant will replace, at the consultant’s expense, all property or work damaged or destroyed by any cause whatsoever.

• **Exceptions.** The proposer shall furnish a statement on company letterhead giving complete description of all exceptions to the terms, conditions and specifications. Failure to furnish the statement will mean that the proposer agrees to meet all requirements of the Request for Proposal.

• **Termination for Convenience.** The SSMEDC may terminate a contract, in whole or in part, whenever the SSMEDC determines that such a termination is in the best interest of the SSMEDC, without showing cause, upon giving written notice to the proposer. The SSMEDC shall pay all reasonable costs incurred by the proposer up to the date of termination. However, in no event shall the proposer be paid an amount which exceeds the bid price for the work performed. The proposer shall not be reimbursed for any profits which may have been anticipated but which have not been earned up to the date of termination.

• **Termination for Default.** When the proposer has not performed or has unsatisfactorily performed the contract, SSMEDC may terminate the contract for default. Upon termination for default, payment will be withheld at the discretion of SSMEDC. Failure on the part of the proposer to fulfill the contractual obligations shall be considered just cause for termination of the contract. The proposer will be paid for work satisfactorily performed prior to termination, less any excess costs incurred by the SSMEDC in re-procuring and completing the work.

• **Interpretation.** The contract resulting from this Request for Proposal shall be construed under the laws of the Province of Ontario

• **Integration.** This Request for Proposal document, the proposer’s response to this solicitation, and subsequent purchase order(s) to the successful proposal contain the entire understanding between parties, and any additions or modifications hereto may only be made in writing executed by both parties.

• **Non-Assignment of Contract.** The proposer shall not assign the contract, or any portion thereof, except upon the written approval of the SSMEDC.

• **Contract Agreement.** The selected proposer will be required to enter into a contract agreement with SSMEDC

• **Compliance with Laws.** The contractor will give all the notices and obtain all the licenses and permits, required to perform the work. The contractor will comply with all laws applicable to the work or performance of the contract.
• **Intellectual Property Rights.** SSMEDC and SSMIC will be the owner of the intellectual property rights, including patent, copyright, trademark, industrial design and trade secrets in any deliverable product or product developed through this contract. Licensing and marketing rights to the developed product will not be granted in the contract.

• **Confidentiality.** The selected proposer agrees not to release or in any way cause to release any confidential information of the SSMEDC and SSMIC unless they have been specifically approved to so in writing.

• **Added Value.** SSMEDC and SSMIC are interested in maximizing the value of expenditures as it relates to achieving additional value that would further benefit SSMEDC, SSMIC and the city of Sault Ste. Marie. As such, bidders are encouraged to consider, develop and propose value added concepts, programs, components and the like that would further enhance the proposed acquisition represented in this solicitation request.

• **Disputes.** In cases of dispute as to whether or not an item or service quoted or delivered meets proposal requirements, the decision of SSMEDC, SSMIC, or authorized representatives, shall be final and binding on all parties.

• **Reservations.** SSMEDC and SSMIC a) reserves the right to reject or accept any or all proposals or parts of proposals, when in this reasoned judgment, the public interest will be served thereby, b) may waive formalities or technicalities in proposals, as deemed necessary, c) may waive minor differences in the proposal provided these differences do not violate the proposal intent.