SUBJECT: Corporate Desktop and Mobile Computer Contract Extension (FCS09068) (City Wide)

RECOMMENDATION:

That the existing Contract with Audcomp Computer Systems for the purchase and maintenance of Desktop and Mobile Computers be extended until December 31, 2009, while an RFP is being prepared with a January 2, 2010, Contract commencement date.

EXECUTIVE SUMMARY:

The City entered into a Desktop and Mobile Computer Corporate Contract with Audcomp Computers effective March 1, 2004. This was a two year Contract with the opportunity for a single two year extension. The City took advantage of the extension effective March 1, 2006, and this extension lapsed in March of 2008. A Policy 11 Contract Extension, which was processed and approved in 2008 requesting an extension until January 31, 2009, has now also expired.

Computer technology has become an integral component in how the City conducts its’ business. A further extension to the existing Contract is being requested to allow staff the time to evaluate and determine Corporate needs; to ensure the City is taking advantage of the latest technologies, where appropriate; and to perform the necessary research and analysis required to prepare a consolidated RFP that will effectively meet both the current and future needs of the City for all computer hardware and services. While the RFP is being created, the existing processes will also be reviewed and modified with the aim of increasing efficiency and clarifying roles.
The RFP will be issued in September of 2009 and awarded to the successful Vendor with a Contract to commence January 2, 2010. During this extension the Information Services Section will require $1.51 million to maintain the replacement of machines as current leases expire. These funds are currently available in a reserve fund that was established to evergreen the computer fleet on a three year lifecycle.

BACKGROUND:

In 2004, the City issued an RFP for Desktop and Notebook Computer Supply and Service which, at the time, covered approximately 3,200 machines. In 2004, Audcomp Computers was selected as the successful Vendor and was awarded a two year Contract with a single two year extension. In July of 2008, a Policy 11 requesting a Contract extension to January 31, 2009, was approved.

Current Situation
The City currently has approximately 3,500 Desktop and Mobile Computers. This equipment is purchased using funding from the afore-mentioned reserve, and then internally leased back to the business units. The purchase amount is repaid over a three year period, at which time, the unit is then replaced with a new computer.

Approximately one-third of the fleet of equipment is replaced every year with approximately 100 machines being replaced monthly based on the end of lease date.

ANALYSIS/RATIONALE:

This extension is required to allow staff the time required to:

- Ensure all computing needs are addressed. Mobile staff are now requesting ruggedized mobile devices to withstand the use in the field. Specific areas require higher end machines in order to use specialized software that demands increased processing power, memory, disk storage, etc.
- Investigate new computing technology.
- Establish current and future corporate needs.
- Determine specialized services, i.e., 24/7 support for certain areas.
- Develop automated administration processes.
- Develop standard device types for various work needs.
- Develop needs for tracking devices administered by Information Services.

If this extension is approved, it will be necessary to continue with the standard lease replacements until the new Contract is awarded and new processes are in place for administering this Contract. During this extension, it is expected the City will spend approximately $1.5 million to replace existing equipment to maintain our evergreen program.
ALTERNATIVES FOR CONSIDERATION:

The alternative would be to issue an RFP, based on current practices for a one year term and during that year, have staff develop a more complete RFP for release at a later date. A one year Contract would be more expensive than a multi-year contract and most likely would result in increased support costs due to increasing the number of manufacturer’s hardware being supported.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

There is a verbal agreement to maintain current rates during this extension period. These rates are based on a percentage discount from standard Government pricing.

POLICIES AFFECTING PROPOSAL:

N/A.

RELEVANT CONSULTATION:

- Information Services Working Committee (ISWC)
- Purchasing Section, Financial Services Division
- Information Services Procurement Committee (ISPC) with representation from
  - Public Works (Director of Capital Planning);
  - Legal Services Division (Assistant City Solicitor);
  - Corporate Services (Director of Budgets and Finance, Director of Information Services, and Director of Purchasing).

CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☐Yes ☑No

Environmental Well-Being is enhanced. ☐Yes ☑No

Economic Well-Being is enhanced. ☐Yes ☑No

Does the option you are recommending create value across all three bottom lines? ☐Yes ☑No

Do the options you are recommending make Hamilton a City of choice for high performance public servants? ☑Yes ☐No