TO: Chair and Members  
Audit and Administration Committee  
WARD(S) AFFECTED: CITY WIDE  
COMMITTEE DATE: March 3, 2010  
SUBJECT/REPORT NO: Corporate Desktop and Mobile Computer Contract Extension (FCS09068(a))  
SUBMITTED BY: Roberto Rossini  
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Finance & Corporate Services  
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SIGNATURE:  

RECOMMENDATION:

That the existing Contract with Audcomp Computer Systems for the purchase and maintenance of Desktop and Mobile Computers be extended until July 1, 2010, while responses to RFP contract number C12-02-10 for Desktop and Mobile Computing Services are evaluated and a report to Council recommending the successful proponent is prepared. The new Contract will be awarded with an effective date on or before July 1, 2010.

EXECUTIVE SUMMARY

The City entered into a Corporate Desktop and Mobile Computer 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 Contract Extension, report FCS09068 “Corporate Desktop and Mobile Computer Contract Extension”, which was processed and approved in July 2009 requesting an extension until January 2, 2010, has now also expired.

The RFP for Desktop and Mobile Devices (contract number C12-02-10) was issued January 20, 2010, with a closing date of February 17, 2010. A further extension to the existing Contract is being requested to allow staff the time to evaluate the responses
and prepare a report to Council with the recommended vendor for this contract with an implementation date on or before July 1, 2010.

During this extension, there is a freeze on computer purchases and internal lease replacements pending the selection of the new vendor. This freeze cannot be imposed on and therefore excludes Hamilton Police Services and the Hamilton Public Library whose purchases are funded from the same account as City of Hamilton purchases. To meet the needs of these two groups, along with any new machine purchases, the Information Services Division will require $350,000 to maintain the current contract until July 1, 2010. These funds are currently available in a reserve fund that was established to evergreen the computer fleet on a three year lifecycle.

Alternatives for Consideration – See Page 3.

**FINANCIAL / STAFFING / LEGAL IMPLICATIONS** (for Recommendation(s) only)

**Financial:**
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.

**Staffing:** None

**Legal:** None

**HISTORICAL BACKGROUND** (Chronology of events)

In 2004, the City issued an RFP for Desktop and Notebook Computer Supply and Service which, at that 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 2009, report FCS09068 “Corporate Desktop and Mobile Computer Contract Extension” requesting a Contract extension to January 2, 2010, 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 the internal lease date.
As part of the analysis associated with this Desktop RFP staff will review and assess whether we should be moving from a three year to a four year replacement cycle.

**POLICY IMPLICATIONS**

None.

**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);
  - Corporate Services (Directors of Financial Planning & Policy, Information Services and Financial Services and Assistant City Solicitor).

**ANALYSIS / RATIONALE FOR RECOMMENDATION**

(include Performance Measurement/Benchmarking Data, if applicable)

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

- Review all responses to RFP Contract Number C12-02-10.
- Evaluate all responses against predefined mandatory general requirements, minimum technical specifications and minimum service requirements necessary to meet the needs of the City.
- Negotiate any details with the Vendor.
- Prepare a Council Report with a recommended Vendor.

Current internal lease replacements for City staff are on hold pending the award of this contract, however, we are not able to enforce a similar freeze onto the Hamilton Police Services and Hamilton Public Library. During this extension, it is expected the City will spend approximately $350,000 to meet the needs of these two boards along with any new machines required by the City of Hamilton.

As stated earlier, staff will be reviewing our current three year replacement cycle for Desktop PC’s and laptops.
ALTERNATIVES FOR CONSIDERATION:
(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

An alternative would be to discontinue the administrative services offered to Hamilton Police Services and the Hamilton Public Library; create separate accounting structures; and freeze all orders for the City of Hamilton

CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)


APPENDICES / SCHEDULES