

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2018 Sep 18

FROM: DIRECTOR FINANCE

FILE: 5820-20
RFP #26-03/14

**SUBJECT: CONTRACT EXTENSION
SUPPLY AND DEPLOYMENT OF THE DESKTOP REPLACEMENT
PROGRAM**

PURPOSE: To obtain approval to extend a contract for the computer workstation desktop refresh program.

RECOMMENDATION:

1. **THAT** the Finance Management Committee recommend Council approve a contract extension to 341234 BC Ltd. doing business as Microserve Business Computer Services (“Microserve”), for a total estimated cost of \$2,911,235 including GST and PST in the amount of \$303,756, for work to be completed in the period 2018 April 01 to 2020 March 31 as outlined in this report. Final payment will be based on the actual quantity of goods and services delivered.

REPORT

In 2014, the City contracted with Microserve Business Computer Services for the supply of new computer hardware, as well as related maintenance and professional services, under the City’s Desktop Hardware Replacement (DHR) Program. Before selecting Microserve, the Information Technology Department (IT) conducted a thorough commercial evaluation process based on criteria that included reliability, performance, service, market standards and best overall value for the City’s business and technology requirements. The original contract allowed for an initial period of four years plus the option of two one year extensions. The Information Technology Department is now seeking to exercise this option and extend the Microserve contract until 2020. This contract extension will enable IT to complete deployment of the new Microsoft Windows 10 software and hardware platform with an established implementation partner, Microserve, having successfully completed a number of DHR projects with the City. The City has a fleet of 2,100 computers which has historically been refreshed at a rate of 500 per year.

To: Financial Management Committee
From: Director Finance
Re: Contract Extension Supply and Deployment of the Desktop Replacement Program
2018 Sep 26 Page 2

The replacement rate in 2014 to 2017 was 31% of this annual quantity because IT lowered the replacement rate in anticipation of the Windows 10 implementation which required additional testing of existing business applications for compatibility. Now that Windows 10 is ready for deployment, a larger number of equipment will be rolled out starting in Q4 2018, with an anticipated number of up to 1,700 computers (900 in 2018/2019 and 800 in 2020) to be deployed until 2020.

To facilitate this implementation, it is recommended that a contract extension be awarded to Microserve. The Chief Information Officer concurs with the above recommendation.

Capital funding for the 2018 component is provided under the following capital projects: AEC.0016 (\$2,504,900) and AEY.2018 (\$276,000). Funding will be secured annually based on estimated costs for each year for components of the contract, and estimated budgets are included in the 2018 – 2022 Financial Plan. 2018 funding is already in place and 2019 funding will be requested in 2018 November.

RECOMMENDATION

It is recommended that the Finance Management Committee recommend Council approve a contract extension to 341234 BC Ltd. doing business as Microserve Business Computer Services, for a total estimated cost of \$2,911,235 including GST and PST in the amount of \$303,756, for work to be completed in the period 2018 April 01 to 2020 March 31 as outlined in this report. Final payment will be based on the actual quantity of goods and services delivered.



Noreen Kassam, CPA, CGA
DIRECTOR FINANCE

NK:GC /ml

Copied to: City Manager
Chief Information Officer