

RE: DATA PROCESSING

At the Council meeting of 1978 May 08 several of the Aldermen advised that they had received a letter from Mr. Maris Sulcs re the above and asked that a report on this subject be prepared and submitted to Council.

The following is a report from the Municipal Treasurer.

RECOMMENDATION

1. THAT a copy of this report be forwarded to Mr. Maris Sulcs, together with a copy of the consultant's report.

* * * * *

1978 May 10
File: DL-1

TO: MUNICIPAL MANAGER
FROM: MUNICIPAL TREASURER
RE: DATA PROCESSING

Attached is a letter dated 1978 May 03 from Mr. Maris Sulcs addressed to "Alderman". The letter outlines two matters of concern to Mr. Sulcs:

1. conflict of interest,
2. completeness of accepted proposal.

We don't understand Mr. Sulcs' first concern. Computech Consulting Canada Ltd. was not invited to tender, nor did Computech submit a proposal. In addition, Computech is in no way related to UNIVAC. A letter of invitation to tender was mailed to sixteen potential vendors; a tender document was made available to thirteen vendors who had indicated their intent to bid. In finality, eight proposals were received. The following summary shows the involvement by the various vendors:

	<u>Status</u>
Burroughs Business Machines Ltd.	3
Canadian Data Ltd.	1
Data General (Canada) Ltd.	3
Datacrown Ltd.	1
Datatech Systems (Canada) Ltd.	2
Digital Equipment of Canada Ltd.	3
Hewlett-Packard (Canada) Ltd.	3
Honeywell Information Systems	3
IBM Canada Ltd.	2
MAI Canada Ltd.	2
Memorex Canada Ltd.	3
NCR Canada Ltd.	2
Sperry UNIVAC	3
Systems Dimensions Ltd.	2
TRW Data Systems	3
Urban Computers Ltd.	1

Status:

1. Declined original invitation
2. Declined after reviewing specifications
3. Submitted proposal

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On the second matter, we feel that the tender specifications were carefully followed and that when proposals were compared, all costs were included.

Of the eight vendors who tendered, three were determined to have superior advantages. These three were:

Memorex Canada Ltd.
Sperry UNIVAC
TRW Data Systems

A detailed study was made of the three proposals, taking into consideration all factors, which included hardware, software, vendor assistance and contractual agreement.

Application programs are part of the software and were clearly identified in the specifications with the following narrative:

"A major cost to establish the type of system outlined in the previous section is the development of various application programs. In the case of Burnaby, virtually all existing programs must be replaced. In an effort to reduce this cost, the Corporation is looking to the successful hardware vendor for assistance.

We believe that a number of municipalities and other organizations have already installed systems similar to the one which is proposed at Burnaby. Vendors are asked to provide specific information about application programs which might be of interest. This is of highest interest in the property, payroll and accounting areas.

You must provide a complete description of the functional capabilities of any proposed application system. This presentation should include system flows, input formats, data formats and sample outputs. You must also be prepared to make source code available for inspection."

The Sperry UNIVAC proposal was based on Burnaby making use of application programs developed by the District of Coquitlam, who now have a 90/30.

The Memorex/IBM proposal did not offer any application programs, but did have other attractive features. In addition, because the basic structure of IBM equipment is compatible with the UNIVAC 90/30, we could have made use of the Coquitlam application programs.

The TRW Data Systems proposal included application programs offered by P.M. Sulcs & Associates. The application programs offered were originally developed by Boeing Computer Services Canada Ltd. for the Municipality of Surrey. Mr. Sulcs was a Boeing Computer employee during the development project. He now has his own practise.

Regardless of which of three vendors we would have selected, considerable development work would still have been required. Each proposal had its own advantages and it was considered that each would be capable of providing our present data processing requirements.

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The selection of the Sperry UNIVAC proposal was based on many factors. Overall, the proposal appeared to best satisfy the computing needs of the Corporation at the lowest price. It was less costly and more flexible overall than the Memorex/IBM proposal.

When compared with TRW equipment, the UNIVAC 90/30 system is more powerful and provides better flexibility. The cost of the UNIVAC proposal inclusive of development costs is comparable to that of the TRW proposal inclusive of development costs.

RECOMMENDATION

1. THAT a copy of this report be forwarded to Mr. Maris Sulcs, together with a copy of the consultant's report.


MUNICIPAL TREASURER

HBK:gw
Attach.

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OFFICE

RECEIVED

1978 MAY - 5

MAYOR'S OFFICE

#203, 4345 Grange St.
Burnaby, B.C.

May 3rd, 1978

Dear Alderman:

We feel that two factors were not considered in your recent decision to acquire a computer system. They stand out as issues that should be resolved before this matter proceeds. You must understand that this letter comes to you from a resident of Burnaby who was also one of the tenders in the bidding process.

The first matter concerns a conflict of interest in that the consultant evaluating all proposals was also permitted to submit. We feel this cannot be acceptable and we assure you that if this had been specified in the tender, we would not have participated. You do not ask a Ford representative to send out tenders for vehicles, and expect him to select a General Motors product. How can you expect different results when it pertains to computers? If the tender process is to work at Burnaby, the judge and jury cannot be allowed to participate under any conditions!

The second matter concerns the completeness of the accepted proposal. The Specifications for Vendors dated December 16, 1977 makes it clear that programs for Municipal functions are to be a major part of this tender. Over one half the specifications are dedicated to the description of these programs. Please note pages 36, 42 and 43. We believe that the accepted proposal does not meet these criterion and Burnaby is about to reinvent what has already been developed for other locations. During the last Council Meeting, a major concern was the re-evaluation of the Johnson Pit proposal and its adherence to the tendered specifications. We believe the consultant's proposal cannot be accepted for the same reason that Johnson Pit's was disqualified.

In summary, we believe that if the Council is to receive serious proposals for any tender in the future, then it must adhere to existing policies in all cases. Your comments concerning these matters would be appreciated.

Yours very truly,


Maris Sulcs

MS/sms