

TO: MUNICIPAL MANAGER  
FROM: INFORMATION SERVICES DIRECTOR

SUBJECT: COMPUTER HARDWARE AND SOFTWARE MAINTENANCE CONTRACT

PURPOSE: To obtain approval to enter into a three year contract with Digital Equipment of Canada Limited to provide computer hardware and software maintenance and repairs for a three year period.

RECOMMENDATION:

- 1: THAT a contract be entered into with Digital Equipment of Canada Limited to provide computer hardware and software maintenance and repairs for a three year period ending 1995 June 30 for a maximum total cost of \$626,837.78.

REPORT

The Central Site Computer System has, in previous years been covered by various annual maintenance contracts with Digital Equipment of Canada Limited. Such contracts provide regular preventive maintenance, repairs and the replacement of all component parts and equipment, all for a pre-determined monthly fee.

The recommended contract is a consolidation of the various separate contracts, entered into in previous years. The rationale behind entering into a three year Contract is that the Corporation limits its exposure to price increases to only 5% per year in years two and three. It is felt that without this protection it is likely that we would be exposed to much higher increases in years two and three. The yearly costs to the corporation would be:

Year 1	1992 - 1993	\$198,838.31
Year 2	1993 - 1994	208,780.23
Year 3	1994 - 1995	219,219.24
		<u>\$626,837.78</u>

This maximum increase is included in the maximum total cost of \$626,837.78.

Digital Equipment of Canada Limited is the only company able to provide the required services.

In previous years the individual one year contracts have been below the level requiring specific Council approval and were simply included in the regular operating budget. Due to the consolidation and lengthening of the recommended contract Council approval is now required. Funds to cover the 1992 portion of the contract have been included in the 1992 Annual operating budget.

The Purchasing Agent and Director of Finance concur with this recommendation.



Ron Taylor  
Information Services Director.  
294-7734

cc. Purchasing Agent  
Director Finance  
Director Administrative & Community Services