

ITEM 8
MANAGER'S REPORT NO. 44
COUNCIL MEETING 94/07/25

TO: CITY MANAGER **DATE: 1994 JULY 12**
FROM: INFORMATION SERVICES DIRECTOR
SUBJECT: CENTRAL SITE HARDWARE REPLACEMENT
PURPOSE: TO SEEK COUNCIL'S APPROVAL TO PURCHASE A HARDWARE REPLACEMENT FOR THE CITY'S MAINFRAME COMPUTER SYSTEM

RECOMMENDATION:

1. **THAT** Council approve the capital expenditure of \$695,000 for the purchase of computer equipment to replace existing Central Site Hardware in order to avoid costly future maintenance and upgrade expenditures.

REPORT

The maintenance cost for the existing Central Site hardware configuration is \$150,000 per year, rising at a minimum of 5% each year. In addition, the current configuration limits the services that can be provided by the Library and Production applications.

Under the current five year Strategic Plan, Burnaby will be migrating away from the VAX platform to a PC based network. However, given the size and complexity of applications, it is expected that Burnaby's VAX platform will not be retired for at least five years.

The proposed purchase replaces our mainframe systems (DEC 6420 and DEC 8530) with two DEC 4600A computers and associated disk drives. Each 4600A provides twice as much power as the DEC 6420 and five times more power than the DEC 8530, and will result in improved system performance and response times and considerable additional services to Library customers. With the additional power, each 4600A will be able to handle our Library and Production applications if the other 4600A fails or is shut down for system maintenance.

The proposed purchase will provide a five year warranty, so that there will be no maintenance costs for five years. After five years, the annual maintenance costs for the new equipment will be at least \$80,000 less than the existing equipment.

FINANCING

The costs for this purchase have been included in the 1994 Capital Budget.

The funds for this purchase will be obtained from the Capital Equipment Replacement Reserve.

CONCLUSION

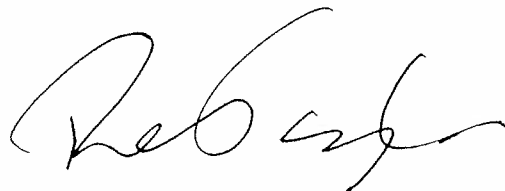
The Computer Advisory Committee has approved this medium term solution for replacing our VAX hardware. Due to the high and growing maintenance costs of our existing hardware, the change to the Central Site Hardware provides a direct cost savings of \$817,000 over five years (see table below). The payback of the initial cost of \$695,000 is four years.

COST COMPARISON BY YEAR

	Capital	Maintenance					Total
	1994	1995	1996	1997	1998	1999	
Old	0	\$148,451	\$155,593	\$163,089	\$170,956	\$179,212	\$817,301
New	\$695,000	0	0	0	0	0	\$695,000
Net	\$695,000	(148,451)	(155,593)	(163,089)	(170,956)	(179,212)	(122,301)

The Director Finance concurs with this recommendation.

Mr. Skosnik, who will be advising on our future hardware strategy, concurs with this recommendation.



Ron Taylor
 INFORMATION SERVICES DIRECTOR

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