

TO: CITY MANAGER **DATE:** June 14, 2005
FROM: DIRECTOR FINANCE
SUBJECT: **PURCHASE OF SERVERS, STORAGE AND TAPE BACK-UP SYSTEM FOR THE ENTERPRISE RESOURCE PLANNING SYSTEM**
PURPOSE: To obtain approval to issue two purchase orders for the acquisition of computer hardware required for the Enterprise Resource Planning System.

RECOMMENDATION:

1. THAT a purchase order be issued to IBM Canada Ltd. for the purchase of servers and related implementation services required to run the Enterprise Resource Planning system, for a total cost of \$449,010.66.
2. THAT a purchase order be issued to AniSoft Ltd. for the purchase of servers, storage array, tape library, related implementation services and maintenance required to run the Enterprise Resource Planning system, for a total cost of \$966,366.67.
3. THAT a Capital Expenditure bylaw be brought forward in the amount of \$240,000 to fund the purchase of storage controller for the central site computing facility.

REPORT

As identified in an earlier report approved by Council on May 30, 2005, the City's Enterprise Resource Planning (ERP) system requires its own cluster of computer hardware on which the system and data will reside. The City's consultant, working in concert with the ERP system vendor and the implementation contractor, identified the specific hardware requirements. These requirements were consolidated into a Request for Proposal (RFP), with the following results:

IBM Canada Ltd.	\$1,522,695.46
Telus Business Solutions	\$1,474,644.17
AniSoft Group Inc.	\$1,568,410.23

The RFP documents identified the City's right to award the work to more than one vendor. By doing so, the recommended award totals \$1,415,377.33, \$59,266 less than an award exclusively to the lowest bidder. In addition, AniSoft has included a number of value-added offerings at no additional cost to the City. Because the recommended award involves IBM Canada Ltd., the equipment manufacturer, and AniSoft, one of IBM's leading business partners, the Chief Information Officer is confident the chosen vendors have the expertise and resources to successfully complete this specialized work on time.

Included in the equipment being ordered is a Storage controller that is required for an independently scheduled upgrade to the city's central site computing facility. It is budgeted and funded separately

from the ERP project and as such requires its own Capital Reserves expenditure bylaw in the amount of \$240,000. The controller was included with the ERP request for proposal to obtain better pricing as a result of the larger purchase.

It bears noting that the values expressed above include the Goods and Services Tax at 7%, as well as the total cost of three years' maintenance. The second and third years' maintenance will be funded by future operating budgets. Once the GST rebate and the deferred cost of maintenance are taken into account, the net cost to the City will actually total \$1,231,818.19.

Included in the recommended awards are amounts for training City staff in the day-to-day maintenance of the equipment as well as for on-going support by the equipment manufacturer, IBM Canada Ltd.

Funding for the purchase of the ERP hardware is available under a Bylaw previously approved by Council.



Rick Earle
DIRECTOR FINANCE

- cc. Chief Information Officer
- cc. ERP Project Manager