Agenda - Council - October 22, 2003

Report - Standing Policy Committee on Public Works - October 7, 2003

Item No. 3 Award of Contract for the Provision of a Replacement Mainframe Host Facility for the Water Billing System
File GL-9

STANDING COMMITTEE RECOMMENDATION:

On October 15, 2003, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Public Works and submits the following to Council:

1. That a contract for RFP No. 387-2003 be awarded to EDS Canada Inc., the responsible and qualified bidder submitting the proposal determined to be the most advantageous to the City and the lowest in price meeting the specifications in the amount of $1,485,515.00 plus GST and PST.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Agenda - Council - October 22, 2003

Report - Standing Policy Committee on Public Works - October 7, 2003

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On October 15, 2003, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Public Works and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On October 7, 2003, the Standing Policy Committee on Public Works concurred in the administrative recommendation and submitted the matter to Executive Policy Committee and Council.

Re: AWARD OF CONTRACT FOR THE PROVISION OF A REPLACEMENT MAINFRAME HOST FACILITY FOR THE WATER BILLING SYSTEM RFP NO 387-2003

FOR SUBMISSION TO: THE STANDING POLICY COMMITTEE ON PUBLIC WORKS

ORIGINAL REPORT SIGNED BY: The Director of the Water and Waste Department

REPORT DATE: September 19, 2003

RECOMMENDATION(S):

That a contract for RFP No. 387-2003 be awarded to EDS Canada Inc., the responsible and qualified offerer submitting the Proposal determined to be the most advantageous to the City and the lowest in price meeting the specifications in the amount of $1,485,515.00 plus GST & PST.

Report Summary

KEY ISSUES: This report is for a multi-year contract.

IMPLICATIONS OF THE RECOMMENDATION(S):

General Implications

	None
	For the organization overall and/or for other departments
	For the community and/or organizations external to the City of Winnipeg
X	Involves a multi-year contract

Comment: The contract is for a three-year term from January 1, 2004 to December 31, 2006.

Policy Implications

X	No
	Yes - Comment(s)

Environmental Implications

X	No
	Yes - Comment(s)

Human Resources Implications

X	No
	Yes - Comment(s)

Financial Implications

X	Within approved current and/or capital budget
	Current and/or capital budget adjustment required

Comment: Funds for this work will be included every year in the Annual Current Estimates.

REPORT

REASON:

Multi-year agreements with financial implications require the approval of Council.

HISTORY:

Funds for this work will be included every year in the Annual Current Estimates for Office Equipment Maintenance, distributed between Account Distribution No. 443 525010 201603 and 443 525010 201604. In addition portions of the 2004 costs will be included in the Annual Current Estimates for Professional & Consulting Services, distributed 50/50 between Waterworks System Account Distribution No. 443 521010 200001 and Sewage Disposal System Account Distribution No 444 521010 200001

DISCUSSION:

The City's major applications have long run on the City's mainframe computer. This includes the Payroll/HR, GL/Financial, Hydro Billing, and Water Billing applications. The sale of Winnipeg Hydro and the recent implementation of the Connexus project will result in moving the Hydro applications, the Payroll/HR applications and the GL/Financial applications off of the City's mainframe. The City is planning to decommission the City mainframe in September 2004.

The City's existing mainframe computer has not been maintained with current versions of software over the past several years in anticipation of it's decommissioning in September 2004.

In 2004 the Water Billing application will be the only remaining large system on the City's mainframe computer. The costs and risks associated with continued use of the City's mainframe facility are very high. The software on the City's mainframe is no longer supported and presents a significant risk in ongoing operations. The Water and Waste Department's Billing system only uses a fraction of the processing power available on the City mainframe and the costs to support this facility for only one user cannot be justified.

The only reasonable alternative to operating on the City mainframe is to migrate the Water Billing System to an "outsourced" alternative host mainframe site. The alternative host mainframe site will allow for reduced costs as well as reduced risks. RFP 387-2003 was released requesting proposals to provide an outsourced host mainframe site for the Water Billing System for a three-year term.

On May 27, 2003, the Materials Management Branch posted Request for Qualifications No. 25 for the Supply of Mainframe Computer Hosting Facility and Support Services for Water Billing System on its website. Responses were received on June 10, 2003 from Quality Assurance

Partners of Canada, Cover-All Computer Services Corp., IBM Canada Ltd. and EDS Canada Inc. In accordance with the evaluation procedure outlined in the Request for Qualification document, Quality Assurance Partners of Canada and Cover-All Computer Services Corp. were disqualified from the selection process. IBM Canada Ltd. and EDS Canada Inc were evaluated to be qualified and were invited to respond to the Request for Proposal for the Provision of a Replacement Mainframe Host Facility for the Water Billing System.

The RFP closed on August 25, 2003, with bids for the Provision of a Replacement Mainframe Host Facility for the Water Billing System for a three-year term being received as follows:

EDS Canada Inc.	$1,485,515.00
IBM Canada Ltd.	$2,626,611.00

The Department is satisfied that the proposed Contractor has the necessary resources to perform all of the work in accordance with the requirements of the specifications. The proposed Contractor has satisfactorily carried out previous work of a similar nature.

The requirements for Bid and Performance Security were waived for this purchase in accordance with the authority delegated to the Manager of Materials by the Board of Commissioners on April 9, 1992 and February 9, 1995.

The proposal recommended for acceptance was submitted by a responsible and qualified Offerer and was determined to be the most advantageous to the City. This offer is open for acceptance until February 20, 2004.

FINANCIAL IMPACT:

The following financial impact statement for this project has been prepared in accordance with the recommendation adopted by Council on December 13, 2000.

Financial Impact Statement

Date: September 19, 2003

Project Name: **First Year of Program** **2004**

THE PROVISION OF A REPLACEMENT MAINFRAME HOST FACILITY FOR THE WATER BILLING SYSTEM RFP NO. 387-2003

	2004	2005	2006	2007	2008
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 682,110	$ 436,765	$ 411,205	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 682,110	$ 436,765	$ 411,205	$ -	$ -
Less: Existing Budget Amounts	682,110	436,765	411,205	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: This is a three year contract with funds included in the annual Current Estimates.

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Moira L. Geer C.A.
Manager of Finance & Administration

IN PREPARING THIS REPORT THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

Corporate Services, Legal Services Division
Corporate Finance, Materials Management Branch

THIS REPORT SUBMITTED BY:

Water and Waste Department
Information Systems Division
Prepared by: Derek Osborne
Processed by: Shirley Teranishi/John Elias
File No. W-560

Attachment

c: Manager of Legal Services/City Solicitor, Corporate Services Department
Manager of Materials, Corporate Finance Department
S. Cechvala, Finance and Administration, Water and Waste Department
J. Elias, C.E.T., Water and Waste Department
Chief Information Officer, Corporate Services Department