



Corporate NO: R009

Report COUNCIL DATE: January 15, 2001_

REGULAR

TO: Mayor & Council **DATE: January 2, 2001**

FROM: Acting General Manager

Finance, Technology & HR **FILE: 0889-036**

SUBJECT: Request for Proposal: Q48 - 2000 - Purchase of Desktop Computer Equipment

RECOMMENDATION

That Council approve entering into a five (5) year direct price agreement with Dell Computer Corporation for the supply of desktop computer equipment complete with operating system and technical services support for a total cost of \$1,971,612.50, including GST & PST.

DISCUSSION

The City requested proposals for the purchase and delivery, on a manufacturer-direct basis, of Desktop computer equipment with operating software and technical services support for a period of five (5) years. In addition, the City's agreement is to allow other governmental agencies, such as the Vancouver Regional Co-operative Purchasing Group, with the opportunity to participate.

Every year various older components of the City's desktop computer equipment needs to be upgraded, redeployed or retired. This allows us to maximize our investment in technology and also ensure that these assets properly support the

City's infrastructure and applications. Currently, the City owns 1300 desktop computer units. Approximately 250 of these units are replaced annually. Based on this expected inventory replacement program, the estimated expenditure would be \$394,322.50 annually, or, \$1,971,612.50, including GST & PST for the five (5) year term of the agreement.

Scope

The primary objective for the Request For Proposal (RFP) process is to encourage competition so that we can obtain the most competitive pricing. Invitations were sent to 20 potential suppliers. Of these, seven potential suppliers attended a pre-bid information meeting. As a result of this process, the Purchasing Section received two proposals from the following:

- Dell Computer Corporation, and
- Seanix Technology (Canada) Inc.

Evaluation

Representatives from the Purchasing Section and Information Technology Division considered these proposals using a comprehensive evaluation process. Our strategic evaluation criteria are listed as follows:

Operational Strengths:

- Manufacturer direct relationship;
- Manufacturer platform standardization, all designed to adapt as the City's business and technology needs change and grow;
- Timely delivery and flexible support services;
- Direct service and support;
- Electronically supported procurement, and
- E-Catalogues.

Financial Performance:

- The City will receive special fixed pricing (Net Pricing) for the standard Desktop Business Models as requested in our document. These confidential prices are compliant with pricing the City would receive under the current discount structures applicable to the Master Standing Offer with the Government of British Columbia, individual Ministries, Provincial Crown Corporations and other Municipalities;
- Net pricing is firm for the life of this specific configuration(s);
- The City will receive an aggressive pricing structure immediately in lieu of potential gradual price reductions;
- Commonality of components and modules help to lower the total cost of ownership;
- Total cost savings take effect throughout the overall process of computer equipment purchasing including:
 - Planning and Acquisition;
 - Deployment;
 - Maintenance and Support, and
 - Process Management.
- The City will also receive, during the course of this agreement, any additional announced promotional prices, educational discount prices, or general price reductions which fall below the 'Net Pricing', associated with this project.

Although both proposals would result in approximately the same costs to the City, the Dell Computer Corporation proposal was superior in relation to a number of the other criteria. It also provides the City with improved business class computer equipment. Dell Computer Corporation has provided computer equipment and service to the City in previous years to a very satisfactory standard.

CONCLUSION

In accordance with the City's Purchasing Policy, we recommend that Council approve the City entering into a five (5) year agreement with Dell Computer Corporation for Desktop Computer Equipment for \$1,971,612.50, including GST & PST. Funding is available in the Information Technology Capital program.

Vivienne Wilke, CGA

Acting General Manager

Finance, Technology & HR

c.c. City Manager

Acting City Clerk

Manager, Purchasing & Payments

