




9.

Halifax Regional Council
July 16, 2002

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



Chuck Keith, Director Information Services

DATE: July 11, 2002

SUBJECT: Request For Proposal 02-013 PC Desktop Leasing- Questions

INFORMATION REPORT

ORIGIN

Request for Proposal 02-013 awarded at the July 9, 2002 Regional Council for PC Desktop Leasing and Support. Request from Councillor Warshick for information why staff have determined that this recommendation is a less costly alternative. Also, a request from Councillor Whalen as to why full marks were given for "Management Tools/Order Fulfilment" to IMP Solutions.

BACKGROUND

In 1996, HRM decided to follow the Gartner Group's Total Cost of Ownership (TCO) Model for PC assets. The model is based not only on the price of the asset but the cost of purchasing, installing, maintaining, upgrading, cascading, training, and disposal of the asset. Following this TCO model over the last five years, HRM has experienced a significant reduction in desktop support personnel. The industry standard is one desktop support person to every 250 desktops. For HRM, that would translate into 7.2 desktop support personnel. Presently, HRM has 3.3 desktop support personnel or a difference of \$218,400 yearly operating savings.

Also, HRM has the capability to implement new software applications without replacing or upgrading the desktop environment. This is due to HRM's practise of providing up-to-date equipment using a three year replacement model.

DISCUSSION

As part of the evaluation of Request For Proposal #02-013, a comparison of purchase versus lease using a three year refreshing cycle was done by Financial Services. A financial analysis of the cost to procure similar equipment as proposed by IMP Solutions showed that the price to HRM would be \$2,205,570 over a 36 month period as opposed to the \$1,551,545 leasing cost. It should be noted that the purchase price does not include the cost of borrowing money, hardware maintenance, support for the equipment, or disposal cost.

IMP Solutions received full marks for "Management Tools/Order Fulfilment" because they were the only proponent that provided a complete range of online order processing, order fulfilment, and reporting management tools as requested in the RFP.

BUDGET IMPLICATIONS

Funds are available in the 2002/2003 Operating Budget in account #A410-6706.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

There are no recommended alternatives.

Request For Proposal 02-013 PC Desktop Leasing- Questions
Council Report

- 3 -

July 16, 2002

ATTACHMENTS

None

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.		
Report Prepared by:	Chuck Keith, Director Information Services	490.6555