

REGIONAL MUNICIPALITY OF OTTAWA-CARLETON
MUNICIPALITÉ RÉGIONALE D'OTTAWA-CARLETON

REPORT
RAPPORT

Our File/N/Réf. **25 96-01-0049**
Your File/V/Réf.

DATE 23 October 1996

TO/DEST. Co-ordinator
 Corporate Services and Economic Development Committee

FROM/EXP. Environment and Transportation Commissioner

SUBJECT/OBJET **CONTRACT AWARD FOR INTERGRAPH COMPUTER
EQUIPMENT**

DEPARTMENTAL RECOMMENDATION

That the Corporate Services and Economic Development Committee and Council approve the purchase of computer equipment as an upgrade to existing architecture from Intergraph Canada Limited, Mississauga, for a total contract provision of \$399,050.

BACKGROUND

As part of the corporate Geographically Referenced Information System (GRIS), the Automated Mapping/Computer Aided Design and Drafting (AM/CADD) requirements of the Corporation are met by the hardware and software products provided by Intergraph Canada Limited. A contract was signed with Intergraph in April 1991 and an initial purchase was made. This purchase, to replace some of the originally purchased equipment, will become part of and subject to, the terms and conditions of the "AM/CADD Acquisition Agreement" between Intergraph Canada Limited and the Corporation.

The cost of this equipment will be recovered, over time, from the Capital projects for which it is used. The rates used will be the same as those that the Corporation permits outside consultants to charge for the use of similar equipment (from \$20 to \$40 per hour depending on the purpose).

The equipment currently used by the Department generated \$245,912 in revenues during 1993, \$501,100 during 1994 and \$550,500 in 1995.

DISCUSSION

It is necessary to purchase the replacement equipment at this time to ensure that the necessary tools are available to continue with the ongoing design of infrastructure facilities for the Department. The equipment being replaced utilizes an operating system (CLIX) that the vendor no longer actively supports. The most recent version of the software used for CADD activities does not run under the existing operating system therefore necessitating its replacement.

EXPENDITURE JUSTIFICATION

The equipment being replaced carries associated annual maintenance costs of approximately \$81,000. The annual maintenance costs of the replacement equipment is approximately \$31,000, representing an annual savings of \$50,000. Some of the equipment being replaced will also be integrated into the normal office automation environment of the Department and this will result in a one time savings of \$18,000 to the Corporation in relation to the corporate 386 microcomputer replacement program. Intergraph Canada is also offering a "trade-in" value of \$50,000 for the return of the existing equipment that cannot be reused within the Department. Other savings will also be realized as the Corporation moves towards the NT operating system as some of the equipment being purchased will also be integrated into the general office environment, thus reducing or eliminating future hardware purchases.

Based solely upon the reduced maintenance costs and the one time savings to the Corporation the cost avoidance of this equipment equates to \$218,000 over three years. According to trends over the past three years, this equipment will result in recoveries of approximately \$500,000 annually.

CONSULTATION

No public consultation is required for this project.

FINANCIAL STATEMENT

	912-37910
	\$
Approved Budget to Date	2,675,000
Total Paid and Committed	<u>2,269,657</u>
Balance Available	405,343
THIS REQUEST	<u>399,050</u>
Balance Remaining	<u><u>6,293</u></u>

Funds have been provided in the 1996 Capital Budget, Account No. 912-37910, G.I.S. Transportation (Geographically Referenced Information Systems) (reference page 133).
Enc No. CA9251 - \$399,050

*Approved by D. Brousseau
on behalf of
M.J.E. Sheflin, P Eng*

FINANCE DEPARTMENT COMMENT

Funds are available as indicated.

*Approved by T. Fedec
on behalf of the Finance Commissioner*

NM/