

**Exercise Option to extend Contract No. 47012152 for
Computer Hardware & Software, and Contract No.
47012116 for Maintenance Services**

Date:	September 2, 2009
To:	Government Management Committee
From:	Chief Information Officer, Information & Technology Division Director, Purchasing and Materials Management Division
Wards:	All
Reference Number:	P:/2009/Internal Services/pmmd/gm09022pmmd (AFS #10389)

SUMMARY

This report requests authority to exercise the option to extend Contract 47012152 for the supply and delivery of desktop and notebook computers, printers, related hardware, software and Contract 47012116 for maintenance services awarded to Compugen Inc. The provision for a one year option contract extension was included in the original Request for Quotation (RFQ) issued. All terms and conditions remain the same and no additional funds are required for the extension of these contracts.

RECOMMENDATION

The Chief Information Officer of the Information & Technology Division and the Director of the Purchasing and Materials Management Division (PMMD) recommend that the Government Management Committee grant authority to:

1. Exercise the option to extend Contract No. 47012152 for the supply and delivery of desktop and notebook computers, printers and related hardware, software and Contract 47012116, for maintenance services with Compugen Inc. from November 16, 2009 to November 15, 2010 under the same terms and conditions. No additional funds are being requested for the extension of these contracts.

Financial Impact

The current contract value for Contract No. 47012152 for the supply and delivery of desktop and notebook computers, printers, related hardware, software is \$21,745,991.45 net of GST. As of July 31, 2009 the current spend is \$13,377,629.75 (61.52%) with a remaining balance of \$8,368,361.70 net of GST. No additional funds are being requested for this contract extension.

The current contract value for Contract No. 47012116 for maintenance services is \$495,000.00 net of GST. As of July 31, 2009 the current spend is \$282,966.43 (57.17 %) with a remaining balance \$212,033.57 of net of GST. No additional funds are being requested for this contract extension.

Funds for the existing contracts and the optional contract period from December 1, 2009 to November 30, 2010 are available in the 2009 Information and Technology Division Capital Budget and 2010-2013 Capital Plan and the requesting Programs' Capital or Operating Budget submissions.

The projected spending for these contracts breaks down as follows:

Order Type	2006 – 2008 (net GST)	2009 (net GST)	2010 (net GST)	Total (net of GST)
Divisional Hardware and Software (Contract 47012152)	\$3,416,651.00	\$2,388,106.00	\$ 684,260.00	\$ 6,489,017.00
Sustainment CIT702-01 Hardware (Contract 47012152)	\$5,699,004.00	\$6,274,353.00	\$3,241,946.00	\$15,215,303.00
Sustainment CIT702-02 Software (Contract 47012152)	\$ 7,133.00	\$ 74,138.45	\$ 0	\$ 81,271.00
Divisional Hardware Maintenance (Contract 47012116)	\$ 272,586.38	\$ 100,075.00	\$ 122,338.62	\$ 495,000.00
Total	\$9,395,374.38	\$8,836,672.45	\$4,048,544.62	\$22,280,591.45

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

On August 25, 2006 PMMD issued a Request for Quotation for the supply and delivery of desktop and notebook computers, printers and related hardware, software and maintenance services for a three year period from the date of award with the renewal option of up to 12 months. Utilizing the extended authority of the Bid Committee during the 2006 Election Period (Municipal Code Chapter 195-17) the report found at: <http://www.toronto.ca/legdocs/2006/agendas/committees/bc/bc061115/it005.pdf> approved the award of RFQ No. 3412-06-3297 to Compugen Inc. in the amount of \$22,280,591.45 net of GST for a period of three (3) years from the date of award. This

award was later reported to Council, as required by the Purchasing By-Law: The report can be found at:

<http://www.toronto.ca/legdocs/mmis/2007/gm/bgrd/backgroundfile-3284.pdf>

The report specified that should the Executive Director of Information & Technology wish to exercise the option to extend the contract for an additional year, then a report seeking approval for the extension will be prepared for Standing Committee at that time.

ISSUE BACKGROUND

All City Divisions have been using Contract No. 47012152 for the supply of desktop and notebook computers, printers and related hardware, software and Contract No. 47012116 for maintenance services on an as required basis. Staff in the Information and Technology Division manages these contracts in accordance with the terms and conditions stated in the RFQ, and process all orders released against these contracts. These contracts are also used for the supply, delivery and installation of desktop lifecycle replacement hardware and maintenance.

COMMENTS

The extension of these contracts requested herein is the final option period available. Information & Technology and Purchasing and Materials Management staff are preparing a new call for the supply, delivery, of desktop and notebook computers, printers and related hardware, software and maintenance services on an as required basis to be issued in early 2010, so that a new contract will be in place by November 15, 2010.

Until a new Request for Quotation is issued and awarded to replace Contract Nos. 47012152 & 47012116, the requested extension will allow all City Divisions to continue buying desktop and notebook computers, printers and related hardware, software and maintenance services from Compugen Inc. under the same terms and conditions. Staff in the Information & Technology Division will continue to manage these contracts and process acquisition requests in accordance with approved policies and procedures.

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SIGNATURES

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