



# City of Richmond

## Report to Committee

**To:** General Purposes Committee  
**From:** Grant Fengstad  
Director, Information Technology  
**Date:** January 16, 2024  
**File:** 04-1300-01/2024-Vol  
01  
**Re:** **Contract Renewal 6722P- Supply and Delivery of Computer Equipment and Related Services**

### Staff Recommendation

1. That Contract 6722P – Supply and Delivery of Computer Equipment and Related Services for Compugen, approved by Council on November 23, 2020 be extended for an additional two-year term, to a maximum five-year contract term, thereby expiring November 23, 2025; and
2. That Contract 6722P – Supply and Delivery of Computer Equipment and Related Services for Compugen be increased by \$1,279,084.00 excluding taxes, to fund the renewal of that two-year term; and
3. That the Chief Administrative Officer and the General Manager, Finance and Corporate Services be authorized to execute the amendment to the contract with Compugen Inc.

Grant Fengstad  
Director, Information Technology  
(604-276-4096)

REPORT CONCURRENCE		
<b>ROUTED TO:</b>	<b>CONCURRENCE</b>	<b>CONCURRENCE OF GENERAL MANAGER</b>
Finance Department	<input checked="" type="checkbox"/>	
Law	<input checked="" type="checkbox"/>	
<b>SENIOR STAFF REPORT REVIEW</b>	<b>INITIALS:</b> 	<b>APPROVED BY CAO</b> 

## Staff Report

### Origin

On November 23, 2020, Council approved the award of contract based on an RFP (request for proposal) for computer desktop equipment for a three-year term, with the option to renew for an additional two years. The contract value awarded for that initial three-year term was \$845,910.00 exclusive of taxes.

A subsequent report was presented to Council on February 7, 2022 seeking approval for increased expenditures of \$646,778.00 related to expenses supporting the ability of staff to work from home as well as other remote locations due to COVID-19. That additional approval amount of \$646,778.00 was funded by a provincial grant to mitigate the impacts of COVID-19. The project spend for the extension term is in line with the planned assets eligible for refresh in 2024 and 2025 as such products are end of life.

The initial three-year contract term expired as of November 25, 2023. The request is to extend the term of the contract for a further two year term to a maximum five-year term, for a total estimated contract value of \$2,771,772.00, excluding taxes.

This would permit Information Technology to continue fulfilling our commitment to our customers by providing IT Assets on a consistent hardware refresh cycle.

This report supports Council's Strategic Plan 2022-2026 Focus Area #4 Responsible Financial Management and Governance:

*Responsible financial management and efficient use of public resources to meet the needs of the community.*

*4.1 Ensure effective financial planning to support a sustainable future for the City.*

*4.2 Seek improvements and efficiencies in all aspects of City business.*

*4.3 Foster community trust through open, transparent and accountable budgeting practices and processes.*

### Analysis

The City has adopted a "best practice" refresh program to ensure that the lifecycle for Information Technology assets are providing the best value to the City and being updated as they become "end of life". Corporate computers are replaced on a five-year refresh cycle with approximately 20 percent of the inventory being updated each year. This provides up-to-date technology on a rolling basis to City employees that enable a high level of performance in serving the needs of the community. Having a managed refresh program reduces Corporate Risk by planning and scheduling replacement versus responding to failures and breakage.

Information Technology manages a current inventory of approximately 3,200 computer assets that include workstations, laptops and mobile devices. Workstations and laptops are replaced on a five-year cycle, whereas mobile devices are replaced every three years.

As of 2023, the distribution of computing devices has dramatically changed with a larger number of employees being provided with laptop computers and docking station hubs to connect to City services at the workplace. While the number of units being issued has increased, the departure from using desktops to laptops and the ability to transport the hardware while accessing City applications securely, has resulted in increased efficiencies and standardization of a single device per user.

The purpose of this report is to seek approval from Council to renew the award of contract with Compugen Inc. for an additional two-year term. This would enable staff to prepare a new RFP that will be issued to the marketplace in 2025.

### **Financial Impact**

The forecasted spend for the additional two-year term is \$1,279,084.00. The total value of the contract for the maximum five-year term is estimated to be \$2,771,772.00, excluding taxes. Funding for these expenditures has been approved by Council as part of the 2024 Capital Budget and is captured as part of the five-year financial plan.

### **Conclusion**

Staff recommend that the contract awarded to Compugen Inc., as the most responsive and responsible bidder in November 2020, be extended by an additional two-year term.

*Kimberley Carron*

Kimberley Carron  
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KLC:klc