



## NOTICE OF MEETING

# TENDERS SUBCOMMITTEE

I hereby give notice that an Ordinary Meeting of the Tenders Subcommittee will be held on:-

**DATE:**        **Friday**                    **15 August 2003**                    **TIME:**        **9.00 am**

**VENUE:**        **Civic Centre, 6 Waipareira Avenue, Lincoln, Waitakere City**

to consider the business as set out herein and to take any necessary action connected therewith.

8 August 2003

Sharon Simiona  
**COMMITTEE SECRETARY**

Telephone (09) 836 8000 extn 8820

### **MEMBERSHIP:**

Councillors    JM    Clews, QSO, JP (Chairperson)  
                  GB    Presland (Deputy Chairperson)

Chief Executive

Director: City Services

Director: Corporate & Civic Services

Director: Strategy & Development

Director: Quality Assurance

Director: Finance

Maori Issues Manager

Mayor Bob Harvey, QSO, JP (ex officio)

Deputy Mayor CA Stone (ex officio)

(Quorum 4 members)

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(The reports and recommendations contained in all agendas are reports and recommendations only and are not to be construed, in any way, as Council policy until adopted.)

**AGENDA FOR AN ORDINARY MEETING OF THE TENDERS SUBCOMMITTEE TO BE HELD  
IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN, WAITAKERE CITY,  
ON FRIDAY, 15 AUGUST 2003, COMMENCING AT 9.00 AM.**

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**1 APOLOGIES**



**2 URGENT BUSINESS**

Section 46A(7) and (7A) of the Local Government Official Information Act and Meetings Act 1987 provides that where an item of business is not on the agenda, it may only be dealt with at the meeting if:

- (i) the item is a minor matter; and
- (ii) the Chairperson has explained at the beginning of the meeting (when open to the public) that the item will be raised for discussion, why the item is not on the agenda, and why it cannot be delayed until a subsequent meeting; and
- (iii) the Committee resolves to deal with the item.

No resolution, decision, or recommendation may be made in respect of the item except to refer the item to a subsequent meeting for further discussion.

**NOTE:** Urgent Business need not be dealt with now and may be delayed until later in the meeting.



**3 CONFIRMATION OF MINUTES**

Ordinary - Friday, 27 June 2003  
Ordinary - Friday, 1 August 2003

**RECOMMENDATION**

That the minutes of the Ordinary Meeting of the Tenders Subcommittee held on Friday, 27 June 2003 and the Ordinary Meeting of the Tenders Subcommittee held on Friday, 1 August 2003, as circulated, be taken as read and now be confirmed.



**4 CONTRACT NO. TA03515B - BUS SHELTER AND GUARDRAIL MAINTENANCE 2003/2004**

**PURPOSE OF THE REPORT**

The purpose of this report is to seek approval to award Contract No. TA 03515B Bus Shelter and Guardrail Maintenance 2003/2004.

**BACKGROUND**

This contract forms part of Council's asset maintenance and renewal programmes as provided for in the 2003/2004 Annual Plan and specifically the maintenance of guardrails, bus shelters and other miscellaneous street furniture throughout the city.

**SCOPE OF WORK**

The scope of work includes the maintenance and carrying out new work where required on guardrails, bus shelters and other miscellaneous street furniture within Waitakere City. The Contract to be awarded is either an Eleven Month option ending 30 June 2004 or a Thirty-five Month option ending 30 June 2006. Each option allows for the term to be extended by a further twelve month period at the sole discretion of Council, dependant upon the Contractor's performance.

The extent of street furniture to be maintained includes, but is not limited to, the following:

- Bus shelters consisting of structural steel, timber, concrete block work construction and furniture;
- W-Section guardrails;
- Fences and rails consisting of structural steel, timber and wire mesh construction;
- Structural steel bicycle barriers for walkways;
- Seats consisting of timber, structural steel and concrete (construction and reinstate);
- Maintenance for sight rails, bollards and wheel stops at Council car parks;
- Graffiti removal from bus shelters and other street furniture;
- Footpath, kerb and channel and berm reinstatement in conjunction with street furniture maintenance where required; and
- Water blasting of bus shelters, guardrails and other street furniture.

**TENDERS RECEIVED**

Tenders were publicly advertised with eight sets of documents being uplifted. Five tenders were received by the closing date of Tuesday, 8 July 2003. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl.GST) Eleven month option	TENDER PRICE (excl.GST) Thirty Five month option
Global Road Signs Limited	Glenfield	\$ 70,025.00	\$210,200.00
Nick Liefing Contractors Limited	Pukekohe	\$ 87,230.00	\$244,100.00
Directions Limited	Glenfield	\$ 87,227.75	\$262,111.25
Fulton Hogan Limited	Mt Wellington	\$142,461.06	\$437,925.35
Works Infrastructure Limited	Silverdale	\$183,207.99	\$545,289.90
Pre-tender Contract Estimate		\$ 99,265.00	\$299,050.00

**Table 1 - Summary of Tender Prices**

## TENDER EVALUATION

In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in Transfund New Zealand's "Competitive Pricing Procedures Manual".

These procedures require that where the tender includes Provisional Sums (work valued by the Principal and placed within the Schedule of Prices) they are deducted from the Tender Sum prior to evaluating each tender. Accordingly the amount of \$20,000 has been deducted from option 1 and \$60,000 from option 2.

The "Two envelope process" as described in Section 2.7 of the above manual was followed. Under this method, only the first tender envelope is opened and the non-price attributes evaluated for all tenders before the second envelope containing the tender price is opened, and the tender prices duly included in the evaluation.

A summary of the evaluation results is shown in Table 2:

### Option 1 - Eleven-Month Contract Period

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method.	Price	Contract Number	
									TA03515B	
									Total Weights	
Weights		5	6	4	4	6	5	70	100	
Tenderer	Tender Sum	Grades							INDEX	
Global Road Signs Ltd	\$50,025.00	75	70	75	65	65	70	76	74	
Nick Liefing Construction Ltd	\$67,230.00	50	50	65	55	50	55	50	51	
Directions Ltd	\$67,227.75	70	70	70	70	75	75	50	57	
Fulton Hogan Ltd	\$122,461.06	65	65	70	80	80	70	-32	-1	
Works Infrastructure Ltd	\$163,207.99	50	60	55	65	65	60	-93	-47	
<b>Med.n Tender Price</b>	\$67,230.00									

\* Attribute grading as defined by Transit NZ in their CPP Tender Evaluation Manual Effective 1 March 1997

### Option 2 - Thirty Five - Month Contract Period

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method.	Price	Contract Number	
									TA03515B	
									Total Weights	
Weights		5	6	4	4	6	5	70	100	
Tenderer	Tender Sum	Grades							INDEX	
Global Road Signs Ltd	\$150,200.00	75	70	75	65	65	70	76	74	
Nick Liefing Construction Ltd	\$184,100.00	50	50	65	55	50	55	59	57	
Directions Ltd	\$202,111.25	70	70	70	70	75	75	50	57	
Fulton Hogan Ltd	\$377,925.35	65	65	70	80	80	70	-37	-4	
Works Infrastructure Ltd	\$485,289.90	50	60	55	65	65	60	-90	-45	
<b>Med.n Tender Price</b>	\$202,111.25									

\* Attribute grading as defined by Transit NZ in their CPP Tender Evaluation Manual Effective 1 March 1997

**Table 2 - Summary of Tender Evaluation**

Global Road Signs Limited is the current Bus Shelter and Guardrail Maintenance Contractor. Global Road Signs Limited has held this contract for the past four and half years and has carried out the contract works to an acceptable standard. They are familiar with Council's procedures and contract specifications and has developed a good working relationship with Council staff.

The other Contractors are known to Council and have been rated based on recent experiences with Council works, information contained in their tender submission and consultation with referees.

### **TAGS, ERRORS OR OMISSIONS**

Global Road Signs Ltd made a mathematical error in option 1. It confirmed in writing that its original tender price remained the same. There were no tags or omissions in the tender submission.

No other errors, tags or omissions were found in other tenders.

### **CREDIT CHECK**

A credit check of Global Road Signs Limited dated 23 July 2003 revealed no adverse information.

### **CONSIDERATION OF OPTIONS**

A comparison of the weighted attribute indices for each option demonstrates that Global Road Signs Limited ranked highest in option 1 and option 2. Global Road Signs Ltd has the lowest tender price for each option.

An evaluation of its submitted rates indicated about 6% decrease in cost to Council for the thirty-five month period contract rates compared to the eleven-month period contract rates. This would equate to approximately \$12,606.81 savings to the Council.

For a thirty-five month contract, additional savings are made, as the contract does not require re-tendering annually. This saving is estimated at \$5,000 per year for briefing, tendering and evaluation.

There is also the benefit in entering into a longer-term contract in that Council could develop partnering relationships leading to enhanced performance by the contractor.

### **SUMMARY**

The results of the tender evaluation as summarised in Table 2 shows that the tenders submitted by Global Road Signs Limited achieved the highest index for option 1 and option 2 which equal to 74. Global Road Signs Limited has the lowest tender sum for each option.

Global Road Signs Limited has carried out the bus shelter and guardrail maintenance contract for Council over the past four and a half years to an acceptable standard.

Due to the financial, planning and operational advantages to Council, it is recommended that Council accept the thirty-five month option.

The cost savings attained in awarding a thirty-five month contract (Option 2) is beneficial to Council. It is recommended that this option be approved with the right to continue with the Contractor for another twelve months period dependant upon satisfactory performance.

## JOB COSTS

	<u>EXCL. GST</u>
Tender sum – (Option 2), Global Road Signs Limited	\$210,200.00
Contingency	\$ 21,330.00
Engineering & Supervision	\$ 56,470.00
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Total Job Cost	<u>\$287,690.00</u>

## SOURCE OF FUNDING

Budget Description (2003/04 Annual Plan)	Codes	Budget	Committed to Other Projects	Allocation to this Project	Unallocated Balance
<u>Physical Works</u>					
Guard Rail Maintenance	46-7150-24150-280	45,000	8,700	28,000	13,300
Bus Shelter Repairs	46-7162-24600-280	45,000	Nil	45,000	Nil
<u>Professional Services</u>					
Traffic Services	46-7150-24360-132	91,800	67,000	11,000	13,800
Bus Shelter Repairs	46-7162-24360-132	6,000	Nil	<u>\$ 6,000</u>	Nil
<b>2003/2004 Funding Required</b>				\$ 90,000	
<b>2004/2005 Funding Required</b>				\$ 99,000	
<b>2005/2006 Funding Required</b>				<u>\$ 99,000</u>	
<b>TOTAL PROJECT COST</b>				<u>\$288,000</u>	

## RECOMMENDATIONS

1. That the information be received.
2. That the tender from Global Road Signs Ltd for option 2, (Thirty-five month period ending 30 June 2006) for Contract TA 03515B Bus Shelter and Guardrail Maintenance 2003/2004 in the sum of \$210,200 plus \$26,275.00 GST, totalling \$236,475.00 be accepted.
3. That the commitment to the 2004/2005 and 2005/2006 financial years of \$99,000.00 and \$99,000.00 respectively totalling \$198,200.00 plus GST be approved.
4. That authority to enter into Contract TA 03515B - Bus Shelter and Guardrail Maintenance 2003/2004 on behalf of Council be delegated to the Group Manager Asset Management.
5. That authority to extend Contract TA 03515B - Bus Shelter and Guardrail Maintenance 2003/2004 for an additional twelve month period ending on 30 June 2007 based on the satisfactory performance by the contractor be delegated to the Group Manager Asset Management.

Report prepared by: Upali Ileperuma, Transport Engineer: Transport Assets.



5 **CONTRACT NUMBER IM02062A - PREFERRED SUPPLIER AGREEMENT FOR COUNCIL'S IT INFRASTRUCTURE**

**PURPOSE OF THE REPORT**

This report seeks approval of the Tenders Subcommittee to award the contract to establish a preferred supplier relationship for the supply of:

- Intel based computer server hardware;
- Associated professional and engineering services as required to support the Microsoft Windows environment;
- Microsoft software licensing under the G2003 contract through a Microsoft certified 'Large Account Reseller';
- Design and deployment of Microsoft Active Directory Services as a precursor to upgrading to the current generation of Microsoft Operating Systems.

Additionally, the report also seeks approval to enter into a contractual relationship with Microsoft Corporation directly, as is required in order to be able to access the licensing program fulfilled by the preferred supplier, on behalf of Microsoft.

**BACKGROUND**

The current Microsoft Windows operating environment within the Council computer network is due to be updated, due to changing business requirements not able to be supported under the existing Windows NT4.0 platform, which has been in place since late 1999. Additionally from 1 July 2003, Microsoft has started on a 12 month program of planned withdrawal of support for NT4.0, which is now two major revisions behind the current Windows version.

Recent developments in both "Thin Client" or 'Server Based Computing', typified by the Citrix 'Metaframe' platform, as is currently used by Council for remote access, and the Open Source software movement as popularised by the GNU/Linux platform, prompted a strategic review of Council's computing platforms prior to a decision to upgrade the Windows platform. The outcome of this review confirmed the decision to upgrade the Windows platform was the most appropriate course of action, in terms of business risk, functionality and Total Cost of Ownership.

As a result of this review, and consequent decision to upgrade the Windows platform, a Request for Proposal was issued to selected resellers covering the areas germane to this upgrade program, specifically covering the areas referenced above.

The standard IT industry process for supplying hardware is for a manufacturer (eg. Hewlett Packard, IBM, Compaq) to offer discount to its large volume customers. The manufacturer however does not sell direct to customers, rather they go through the route of offering that discount to a Reseller, who then acts as broker to supply the customer with the goods. This is where the Request for Proposal for supply normally adds value to Council, as the percentage mark up of Suppliers, Distributors and the Reseller is minimised by the competitive process.

The hardware and software components of the Request For Proposal have been set up to award the pricing model of the reseller rather than a lump sum price for supply of same. In this way Council contracts for an agreed discount rate over the life of the contract, whilst maintaining the flexibility to change volumes and models of server platforms and other items as required.

Similarly, the engineering and professional services components of the Request For Proposal seek to establish agreed unit rates and price escalation provisions, whilst maintaining the flexibility to engage services on an as required basis.

In terms of the Microsoft licensing aspects of the contract, there are two contractual relationships to consider.

- One with the reseller, as is covered under the contract awarded to the Reseller resulting from the Request For Proposal process, and which appoints an agency to resell Microsoft licenses to Council.
- The second contractual relationship is with Microsoft Corporation itself. This is covered separately under the G2003 heading below, and is followed by a recommendation that Council enter into the G2003 program with Microsoft Corporation in addition to appointing a reseller to act as Microsoft's agent in fulfilling the contract.

Contract values put forward are estimated based on historical spend, and known future plans, and will be subject to change in line with changing business and technical requirements as they evolve over the life of the contracts.

### RESPONSES RECEIVED

Responses were received from the invited five firms per Table 1.

Reseller	Office
ATL Systems NZ Limited	128 Khyber Pass Rd, Auckland.
Computerland / Ceritas NZ Limited	104 - 106 Customs St. West, Auckland.
Datacom Systems Limited	106 Vincent St, Auckland.
Eagle Technology Group Limited	Epsom Stand, Alexandra Park, Greenlane
Fujitsu NZ Limited	117 Khyber Pass Rd, Auckland.

**Table 1 - Summary of Respondents.**

### PROPOSAL EVALUATION

Proposals were evaluated generally in accordance with the " Weighted Attributes Price Method " contained in Transfund New Zealand's "Manual of Competitive Pricing Procedures".

The evaluation methodology and process has been as follows:

1. All responses were evaluated for price and attributes. Non-price attributes were evaluated individually by members of the evaluation team, and the results averaged for each factor. Price attributes were evaluated separately after completion of the non-price attribute evaluation, although it is noted that the process was not run as a formal 'two envelope' tender.
2. The top three responses were identified for further evaluation involving reference checking against existing customers with similar profiles to Council in terms of the nature of the relationship and size of organisation, with preference given to other Territorial Local Authority or Government customers where appropriate.
3. Final allocation of scores and ranking.

Table 2, below, summarises the final scores arrived at from the evaluation process.

	Attributes	Relevant Experience & Track Record	Technical Skills and Appropriate Resources	Contract Terms	Specification	TCO	Contract Number IM02062A
							Total Weights
	Weights	22.5	22.5	7.5	7.5	40	100
	Project Sum	Grade					INDEX
ATL	\$1,605,072	76%	63%	76%	75%	45%	60.5
Computerland	\$1,478,289	61%	58%	42%	75%	54%	56.9
Datacom	\$1,532,853	57%	69%	38%	75%	50%	56.8
Eagle	\$1,721,616	FAIL	59%	47%	75%	40%	FAIL
Fujitsu	FAIL	FAIL	FAIL	36%	75%	FAIL	FAIL
Med.n Price	\$1,532,853						

**Table 2 - Summary of evaluation scores.**

The top ranked response was not the lowest priced response, but a number of factors contributed to the decision to recommend contracting with ATL Systems as preferred supplier despite their projected Total Cost of Ownership figures not being the lowest put forward.

The most significant factors were:

- extensive experience operating in the local government market in the Auckland region;
- better demonstration of understanding our business requirements in defining the Active Directory design, and the criticality of this in underpinning the IT services infrastructure going forward;
- a good breadth and depth of relationships with suppliers across various sectors of the IT industry, and a demonstrated ability to deliver multi-vendor solutions;
- very strong reference checking results, particularly in the critical area of successful project delivery. The reference checks on both the second and third placed respondents highlighted areas of concern in terms project over runs, and inadequate project management skills;
- a commitment over and above the contractual requirement to review and renegotiate supplier pricing and discount levels quarterly, with the intent to further reduce procurement costs over time.

These factors, along with the areas further discussed under risk assessment below, led the evaluation team to support the results of the evaluation process, in that additional costs potentially incurred by awarding the contract to other than the lowest priced respondent, are outweighed by the risks associated in awarding the contract to organisations who are less able to demonstrate a successful track record in delivering projects which are critical to the ongoing stability and smooth operation of Council's Information Systems

### **Risk Assessment**

Issues involved in moving away from the present preferred suppliers have been considered in the evaluation.

Reference checking feedback has been used to further refine scoring on non-price attributes, reducing the reliance on respondent's own claims in relation to service delivery and technical competence. The results of this reinforced the results of the proposal evaluations, with particular concerns highlighted being in the area of project delivery to time and budget, particularly in the Active Directory area.

It is important to note that the costs supplied for the Active Directory design and deployment are indicative only, and realistically will not be finally agreed upon until the detailed design phase is completed.

Based on Council's understanding of the complexity of the project, and on the feedback received during reference checking on successful project delivery in this context, there is a high degree of risk that the actual costs will be closer to that put forward by ATL, than some of the lower indicative costs put forward by other vendors. This would in all probability lessen the differential between the actual costs Council would incur by approximately \$40,000 in comparison with the indicative costs put forward.

In summary, the decision to recommend awarding the contract to ATL Systems Limited, despite the potential additional costs of some \$126,783 over three years compared with the lowest priced respondent, are based on two key factors: an assessment of the relative degree of certainty that these organisations are able to deliver what they claim to be able to do, and that the importance that the Active Directory and subsequent projects have to the continued smooth operation of Council's information systems. In this instance it was agreed by the evaluation team that the degree to which the risks identified are mitigated by awarding the contract to ATL Systems Limited, outweigh the extra cost which Council may bear as a result.

#### **TAGS, ERRORS OR OMISSIONS**

Fujitsu NZ Limited failed to supply a price for the Microsoft Active Directory design and deployment section of the RFP. This omission, along with sub 35% scores on two of the non-price attributes caused their response to be excluded from further evaluation.

Although a compliant response, Eagle Technology was also excluded from further evaluation, due to a 'fail' (<35%) score for a non-price attribute.

#### **SUMMARY**

Based on the evaluation results it will be recommended that ATL be awarded the contract.

#### **MICROSOFT G2003 AGREEMENT**

##### **Background**

Council currently purchases desktop computer and file server operating systems and application software from the Microsoft Corporation. For the past four years (to 30 June 2003), this software has been acquired under Microsoft's 'G2000' Agreement, which concluded on 30 June 2003.

The replacement agreement, branded 'G2003', has been developed specifically to meet the needs of New Zealand central and local government and associated agencies, and is priced based on the collective purchasing power of these organisations. The terms of the agreement were negotiated with Microsoft by a team headed by the Department of Internal Affairs, with representation from a number of Central and Local Government agencies. The new agreement offers significantly lower unit costs than its predecessor for renewing customers, and has been subject to an in-depth legal review commissioned by the negotiation team.

The pricing is based on a fixed annual cost of \$288 per desktop or laptop computer for the provision of core software, including the 'Windows' operating system, 'Office' desktop applications (tool-set), and 'Client Access Licenses' enabling user access to server based systems. In addition, there is provision to purchase low volume applications, server products and software development tools, on an individual basis in a similar manner to that currently managed under the existing 'G2000' agreement.

Under the terms of the proposed 'G2003' agreement, government agencies have until 30 September 2003 to exercise their right to enter into this agreement effective 1 July 2003.

### G2003 Agreement Details

Microsoft Corporation has furnished a standard contract as per the negotiated terms and conditions. Key points are:

- the contract is for three years. Council may terminate the agreement upon giving 60 days notice to Microsoft of intention to terminate, and would continue to own in perpetuity any licenses held at termination date;
- administration of the relationship will be managed by the IM Operations Manager, in conjunction with the nominated large account reseller, who has particular expertise in the detail of the contract;
- the contract allows Council to run its choice of Operating System, Office products and Development Tools, and incorporates the cost of upgrades over the life of the contract.

### Statutory Requirements and Council's Delegations

Given the requirement to contract directly with Microsoft in order to access the G2003 agreement, and that this is in effect a sole supplier situation, notwithstanding the fact that the role of 'Large Account Reseller' (in whose favour the purchase orders are made out to) is established through a competitive process, it is important to ensure the requirements of Council's procurement policy are complied with regard to a non-tender situation.

On this basis it will be recommended that the subcommittee approve the Microsoft G2003 Agreement without going to tender, in accordance with the provisions of Council's procurement policy, noting that in order to satisfy the requirements of policy, the reasons for not going to tender are required to be recorded in writing.

### JOB COSTS

Using the unadjusted proposal rates and unit prices, costs in each contract subsection are anticipated as being as follows:

Category	Period	Amount	
Microsoft Licensing	2003/2004	\$298,727	
Microsoft Licensing	2004/2005	\$313,664	
Microsoft Licensing	2005/2006	\$329,347	
Professional and Engineering Services	2003/2004	\$208,362	
Professional and Engineering Services	2004/2005	\$ 34,727	
Professional and Engineering Services	2005/2006	\$104,181	
Active Directory Design & Deployment	2003/2004	\$ 68,600	
Server Hardware	2003/2004	\$ 82,488	
Server Hardware	2004/2005	\$ 82,488	
Server Hardware	2005/2006	\$ 82,488	
<b>Total</b>		<b>\$1,605,072</b>	<b>Ex GST</b>

These projected commitments are as used to calculate the contract value in the Request for Proposal evaluation, and are based on anticipated usage. These are drawn from a number of sources including historical spend for 2002/2003, Budget figures for 2003/2004, and projections for the term of the contract for Microsoft licensing costs and planned Infrastructure upgrades identified in the IM Infrastructure upgrade programme.

### **SOURCE OF FINANCE**

Sources of Finance are only currently approved for the current Annual Plan period. Funding for subsequent periods will be sought through the Annual Plan process in the customary fashion.

Sources of funds for the 2003/2004 year are as follows:

	<b>Codes</b>	<b>Budget - Amount</b>	<b>Allocation to this Contract</b>
Microsoft Licensing	15-1810-16000-108	\$300,000	\$298,727
Hardware and Services	75-9516-95000-999	\$375,000	\$359,450

Note: Hardware and Services are funded from the IM Capital Budget, with individual project budget codes generated as required.

### **RECOMMENDATIONS**

1. That the information be received.
2. That in accordance with Council's Procurement Policy, the Microsoft G2003 Agreement be approved without going to competitive tender on the basis that Microsoft Corporation is the only acceptable provider of the required comprehensive solution to Council's software licensing requirements.
3. That, subject to a satisfactory credit check, ATL Systems Limited be awarded the three-year preferred supplier contract (Contract No. IM02062A) for the supply of:
  - Intel based computer server hardware;
  - Associated professional and engineering services as required to support the Microsoft Windows environment;
  - Microsoft software licensing under the G2003 contract through a Microsoft certified 'Large Account Reseller';
  - Design and deployment of Microsoft Active Directory Services
- 3.1 That subject to changes arising for the following reasons;
  - Change in exchange rate
  - Model superseded and manufacturer's price lower or higher than for base model.
  - Variation in number of units purchased.
  - Change in scope of anticipated projects,

costs in each contract subsection be awarded and committed in the Annual Plans for 2003/2004, 2004/2005 and 2005/2006 (noting that provision has been made for this expenditure in the Long Term Council Community Plan for 2004/2005 and 2005/2006) as follows:

Category	Period	Amount	
Microsoft Licensing	2003/2004	\$298,727	
Microsoft Licensing	2004/2005	\$313,664	
Microsoft Licensing	2005/2006	\$329,347	
Professional and Engineering Services	2003/2004	\$208,362	
Professional and Engineering Services	2004/2005	\$ 34,727	
Professional and Engineering Services	2005/2006	\$104,181	
Active Directory Design and Deployment	2003/2004	\$ 68,600	
Server Hardware	2003/2004	\$ 82,488	
Server Hardware	2004/2005	\$ 82,488	
Server Hardware	2005/2006	\$ 82,488	
<b>Total</b>		<b>\$1,605,072</b>	<b>Ex GST</b>

4. That the Director: Corporate & Civic Services be delegated authority to enter into the preferred supplier contract with ATL Systems Limited and the Microsoft G2003 Agreement on behalf of Council.

Report prepared by: Simon Leigh, IM Infrastructure Project Manager.

