



Hamilton

INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	June 9, 2014
SUBJECT/REPORT NO:	Annual Performance Reporting – Savings Generated from the Management of Information Technology Contracts (FCS14018) (City Wide)
WARD(S) AFFECTED:	City Wide
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SUBMITTED BY:	Mike Zegarac General Manager Finance & Corporate Services Department
SIGNATURE:	

Council Direction:

At the April 27, 2011 meeting of Council, Item 6(d) of the General Issues Committee Budget Report 11-005(c), which reads as follows, was approved:

“6. Information Services Contract Savings and Incentives (FCS11024) (City Wide) (Item 8.2) (GIC – April 1, 2011)

(d) That staff commit to providing Council with annual performance reporting to communicate the status of savings generated from management of IS contracts.”

Information:

Executive Summary

This report is intended to provide the Committee with an update on the following corporate contracts: Print, Cellular and Desktop that are administered by the Information Technology Division of the Corporate Services Department.

Since 2010, the efforts directed through negotiating and managing the three contracts above and through applying policies and procedures, approved by Council, has resulted in total savings of \$4.34 million. Aside from these large corporate contracts, the Contract Administration Section also manages the Bell landline contract, the Rogers Fibre contract, Oracle/PeopleSoft support contract plus approximately 20 Information Technology specific contracts.

Table 1 reflects the terms of the 3 major contracts that are captured as part of this analysis.

Contract	Analysis Period
Print Contract	32 months (May 2011-Dec. 2013)
Cellular Contract	36 months (Jan. 2011-Dec. 2013)
Desktop Contract	18 months (July 2011-Dec. 2013)

Table 1 – Analysis period

Chart 1 illustrates the savings as of December 31, 2013 for the Print, Cellular and Desktop Contracts.

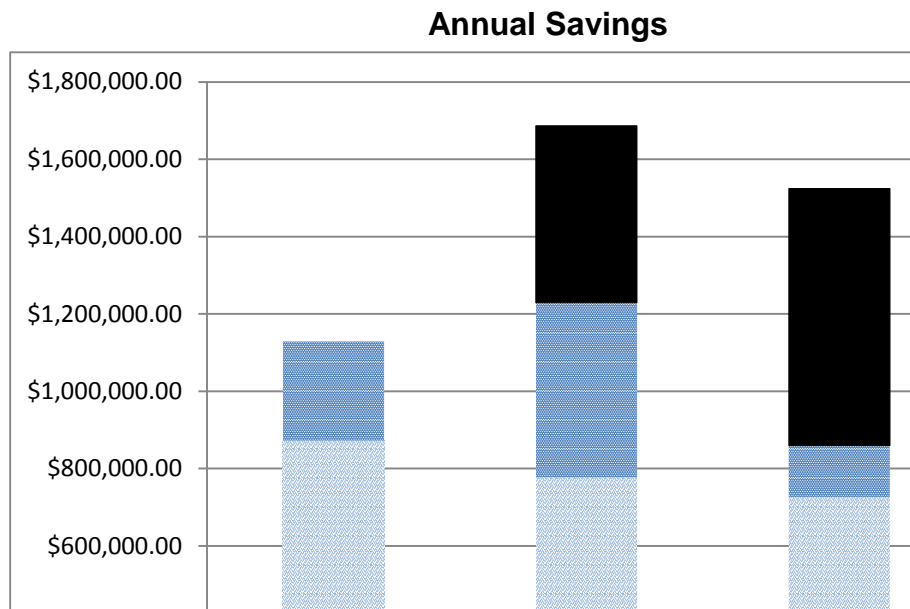


Chart 1 – savings realized through negotiation and management of Print, Cellular and Desktop contracts

Charts 2, 3 and 4 highlight the annual spend for each contract compared to the baseline which indicates the annual spend under the previous contract:

Annual Spend Comparison

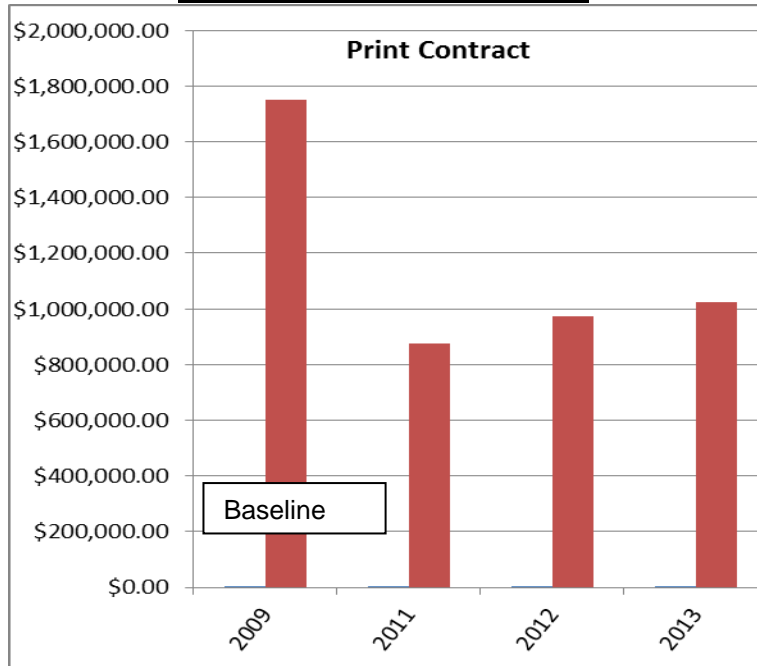


Chart 2 – Annual Spend Comparison – Print Contract

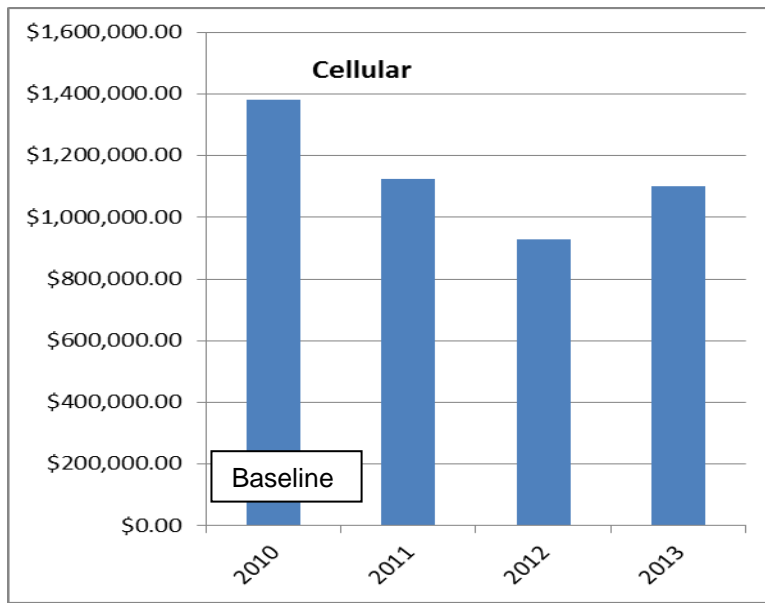


Chart 3 – Annual Spend Comparison – Cellular Contract

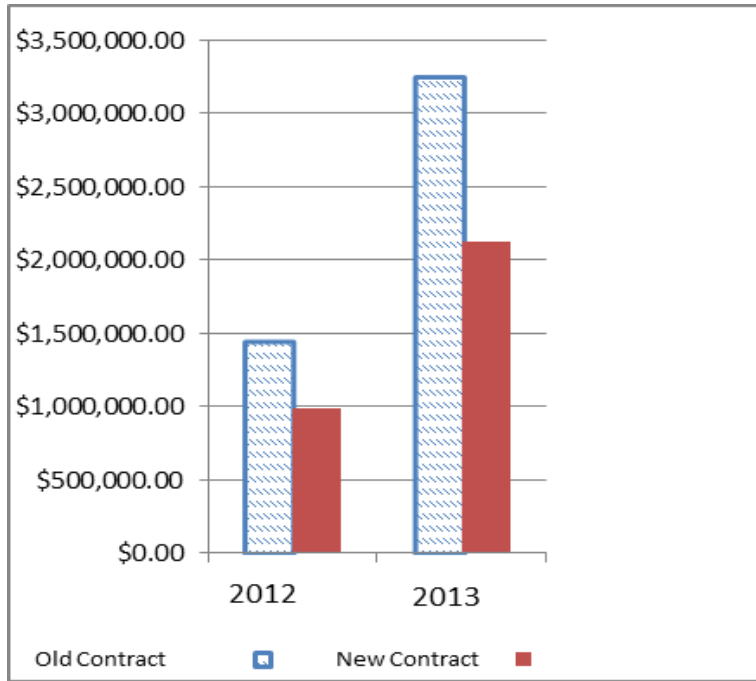


Chart 4 – Annual Spend Comparison – Desk Top Contract

Appendix A of report FCS14018 provides some additional detail on each of the above corporate contracts.