




Hamilton

# INFORMATION REPORT

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	March 27, 2017
<b>SUBJECT/REPORT NO:</b>	Annual Performance Reporting – Savings Generated from the Management of Information Technology Contracts (FCS17020) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Filipe Janicas (905) 546-2424 Ext. 5705 Fred Snelling (905) 546-2424 Ext. 6059
<b>SUBMITTED BY:</b>	Maria McChesney Director of Information Technology Corporate Services Department
<b>SIGNATURE:</b>	

## 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: 2014-211-MA-02 Office Printing Equipment and Related Support Services and Supplies (Print), C12-13-15 Cellular Service and Devices (Cellular) and AD 07-10/260 End-User Computer Hardware and Services (Desktop) that are

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*OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.*

*OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.*

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administered by the Information Technology Division of the Corporate Services Department.

Since 2010, the efforts directed through negotiating and managing the 3 contracts noted above and through applying policies and procedures, approved by Council, has resulted in total savings of \$8.1 million.

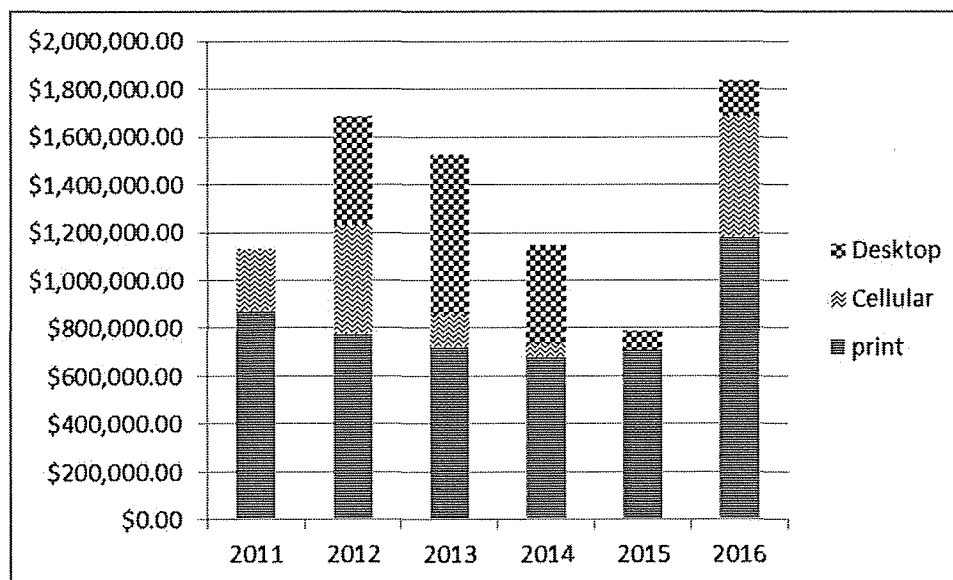
Table 1 reflects the terms of the 3 major contracts that are captured as part of this analysis.

**Table 1 – Analysis period**

<b>Contract</b>	<b>Analysis Period</b>
Print Contract	68 months
Cellular Contract	72 months
Desktop Contract	54 months

Chart 1 illustrates the annual savings as of December 31, 2016 for the Print, Cellular and Desktop Contracts.

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



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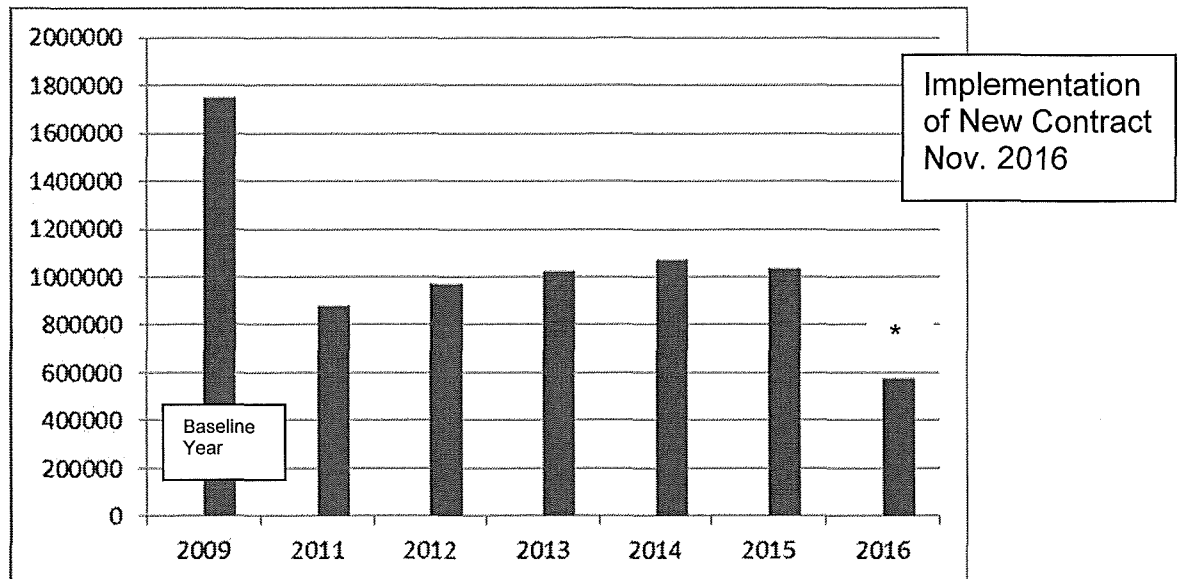
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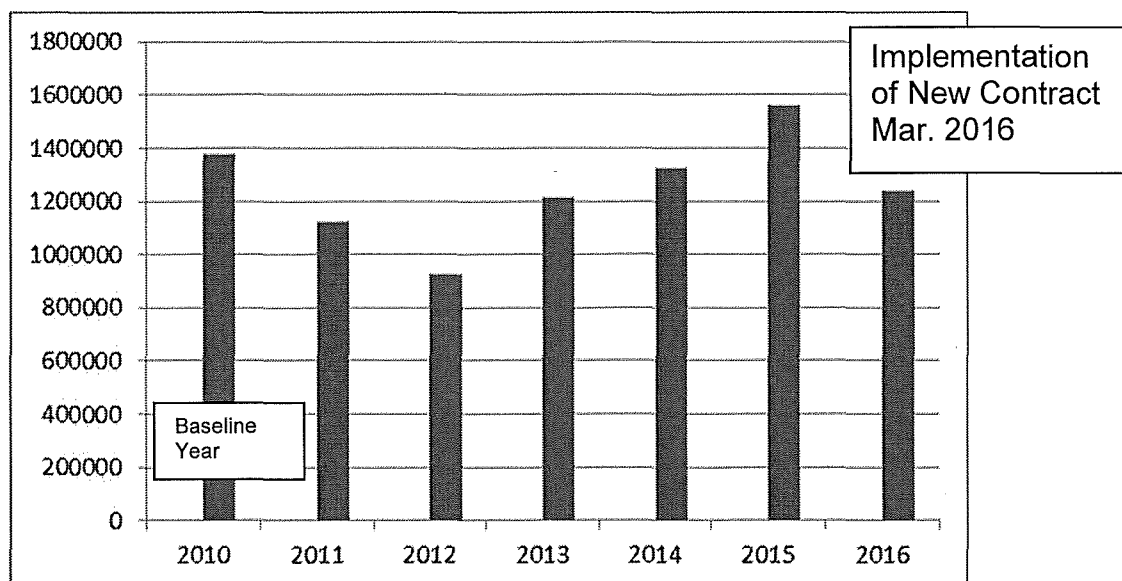
Charts 2, 3 and 4 highlight the annual spend for each contract compared to the baseline.

**Chart 2 – Annual Spend Comparison – Print Contract**



\*A new print contract was implemented in 2016. Capital payments for printers under the previous contract ended as of April 2016. Capital costs for the new equipment commenced November of 2016.

**Chart 3 – Annual Spend Comparison – Cellular Contract**



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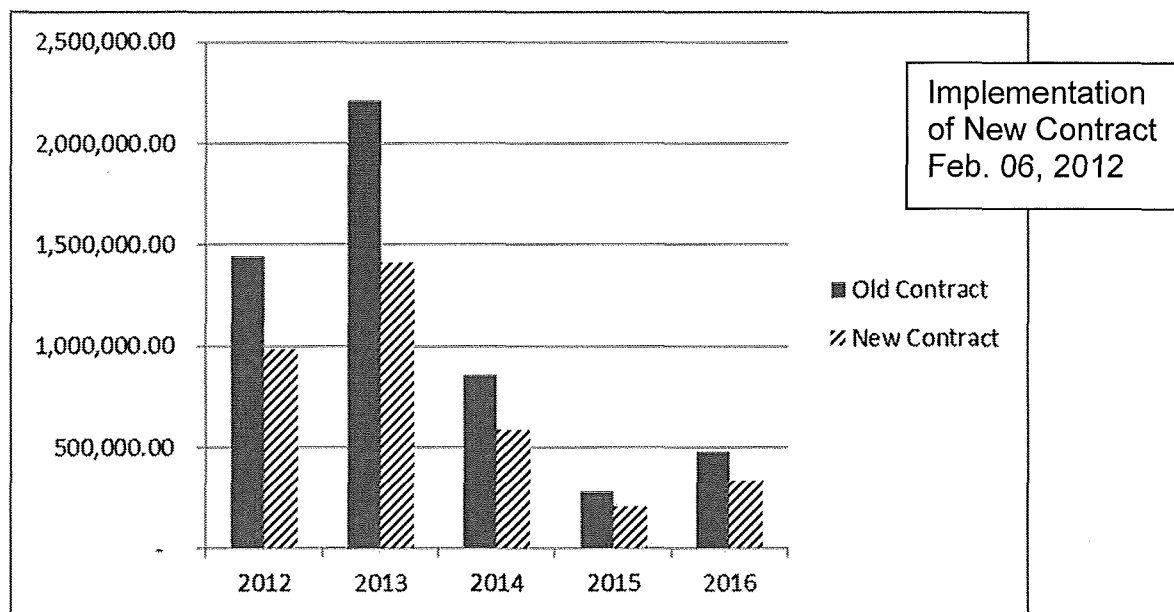
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**Chart 4 –Spend Comparison – Desk Top Contract**



**APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" – Additional detail on each of the above noted Corporate Contracts

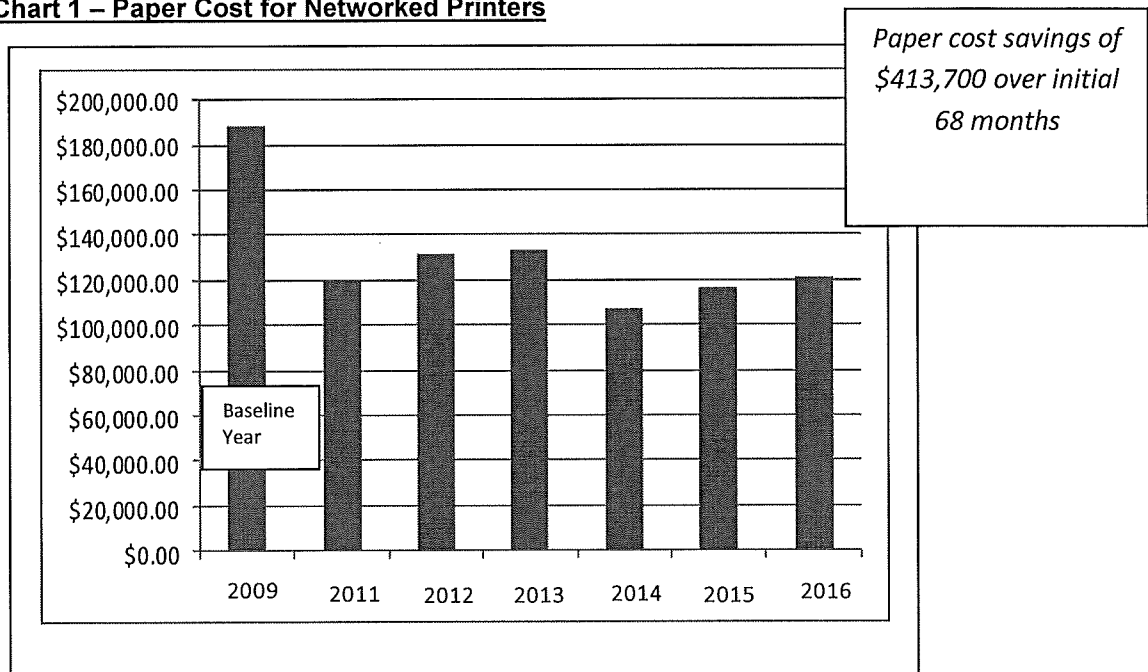
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## **Corporate Contract Highlights**

### **1. Printing Equipment and Related Support Services and Supplies Contract Update**

- Double-sided (duplex) printing (which is mandated in the Print Management Policy) has saved 49.5 million sheets of paper and contributed towards a savings in paper costs of \$413,700 since contract inception - (see Chart 1). Print volume reduction has saved 6,463 trees;
- CO<sub>2</sub> emissions have been reduced by 604,601kgs; and,
- Energy costs have been reduced by \$85,600.

**Chart 1 – Paper Cost for Networked Printers**

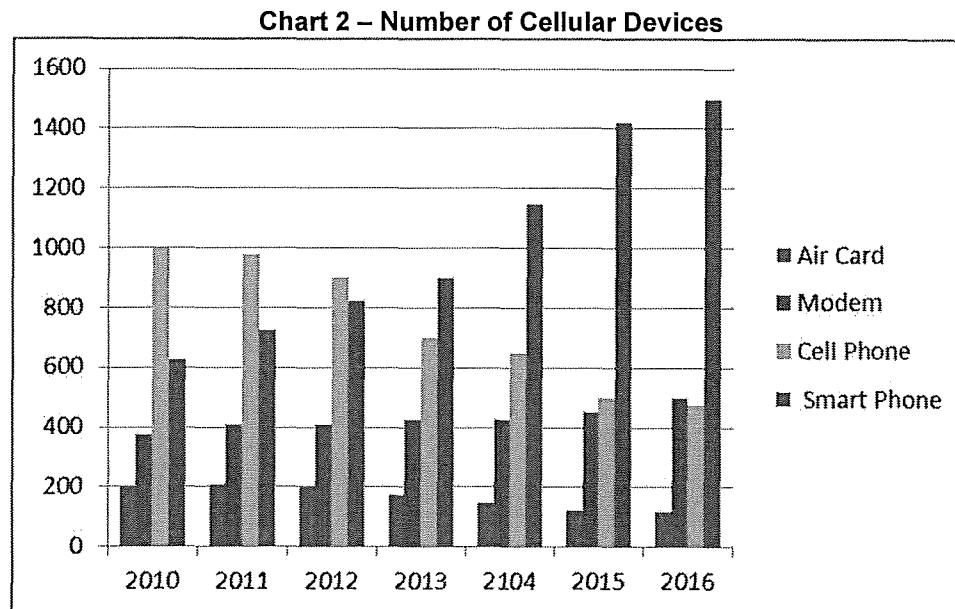


### **2. Wireless Cellular Services and Devices Contract Update**

- The number of cellular devices has had a net increase of 596 over the past 60 months.
- All overage charges have been eliminated. Previously the City was paying approximately \$54,000 annually due to exceeding the number of minutes allocated to all users. The current contract includes unlimited texting and voice within Canada plus 5gb of data pooled across 1,500 devices.

In spite of the net increase of 596 devices, the total savings over 60 months is \$1,543,000. Chart 2 of Appendix "A" to Report FCS16022 highlights the number of devices by type.

Each year the number of devices increases, specifically the number of Smart Phone devices which incur a higher monthly fee. The Blackberry/Smart Phone fleet has grown from 651 in 2010 to 1,499 devices at the end of 2016.



### 3. Desktop and Mobile Computer Contract Update

- Staff have implemented the Council approved lifecycle – 5 years for desktops and 4 years for mobile devices and high end workstations.
- Savings of \$1,758,800 over the past 54 months due to reduced prices and 5 year replacement lifecycle.

Savings are based on unit cost comparisons only.