

**MEETING DATE:** April 6, 2005

**SUBJECT:** Notice Of Award - Ca Unicenter Software And Maintenance

**RECOMMENDATION**

It is recommended that the Commission confirm the approval by two Commissioners and the Chief General Manager for the single source purchase of Unicenter software and maintenance to Computer Associates Canada Company (CA) in the upset limit amount of \$1,200,000 (including taxes) for a three year period expiring February 27, 2008.

**FUNDING**

Sufficient funds for the Unicenter Software expenditures have been included in project, 7.1 Computer Equipment and Software, under Information Technology Infrastructure (as set out on pages 1223 to 1245 – category State of Good Repair/Safety) of the TTC 2005-2009 Capital Program, approved by City Council on February 23, 2005.

Sufficient funds are also included in the 2005 TTC Operating Budget for the 2005 expenses and will be included in future Operating budgets as required.

**BACKGROUND**

At its meeting of February 9, 2005, the Commission approved revision and updates to the Authorization for Expenditures Policy / Instruction, which states that “The Commission delegates authority to the Chair, one Commissioner and the Chief General Manager to authorize items on an interim basis when the approval is required before the next Commission meeting. The interim authorization (see Appendix B) is to be followed up by a confirmation of approval Commission report that is to be submitted to the next scheduled Commission meeting”.

Computer Associates Unicenter software provides overall management of the Information Technology Enterprise for continuous availability and optimal performance by constantly monitoring the performance of various systems and flagging any anomalous activities. The Unicenter group of products installed at the TTC includes functionality for Service Desk, Asset Management, Remote Control, Software Delivery, Network Management, Event

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Management, Scheduling, and Systems Management. These functions support critical TTC systems such as the Wheel Trans Information Systems and the Materials Management Systems.

Unicenter software is currently operational on approximately 2,500 desktop computers and 90 application and data servers. Software maintenance is required to provide updates for the Unicenter products. In addition to keeping the product current, the maintenance costs include 24 hour per day, 7 days per week technical support 365 days a year.

City Council on November 30, December 1 and 2, 2004, considered and adopted the Administration Committee Report 9, Clause 26, Software Maintenance Contract-Renewal for a three 3 year period with Computer Associates Canada Company, which includes that TTC can enter the City of Toronto's Master Agreement under a separate schedule in order to leverage volume pricing. This Master Agreement offers a 15% discount off the list price for new software and annual maintenance is calculated based on 20% of the stated list price and will be adjusted annually and shall not increase more than 5% on an annual basis.

The Master Agreement is based on a pricing structure which allows for unlimited user licensing based on the operating system. Unlimited usage is granted under a Tiered Server model for the capacity of the machine(s) being used. The Commission will be exercising their rights under the City of Toronto's Master Agreement.

Staff approved an amendment in the total amount of \$20,000 for a one month extension of the expiry date of the current contract with Computer Associates Canada Ltd. (CA) to March 31, 2005. This extension was required to provide sufficient time for the Commission to review the City of Toronto's Master Agreement.

## **DISCUSSION**

Maintenance is required for existing CA software and additional CA licenses and maintenance is also required, as detailed on Appendix A. The year 1 maintenance pricing for the existing Unicenter maintenance is approximately 3% higher than the current contract.

CA submitted a Schedule to the Master Agreement between the City of Toronto and CA. The Schedule along with the Master Agreement has been reviewed by staff and is considered acceptable except for the payment schedule, which included the increase in maintenance payments for years 2 and 3 at the maximum rate of 5%. Staff contacted CA to negotiate pricing and CA indicated that while they can not offer higher discounts or lower maintenance fees than those indicated in the City of Toronto Master Agreement, they were able to offer a 3% firm annual maintenance increase in both year 2 and 3, compared to the original offer of pricing to be adjusted annually at a maximum rate of 5%. The 3% firm annual increase in maintenance costs represents a potential cost avoidance of

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approximately \$17,000.00 based on the maximum increase of 5% applied to both year 2 and 3 maintenance.

The recommended amount includes a contingency of approximately 20% to allow for growth of the existing products over the three year period (i.e. increase in the number of servers that will require additional licenses and maintenance for existing and new CA Unicenter software included in the Master Agreement).

## **JUSTIFICATION**

Information Technology Services requires Unicenter Software Maintenance to continue to provide the infrastructure functionality provided by the product. Without this maintenance, an unacceptable risk of system failure would exist, without any warnings or the opportunity for staff to take remedial action prior to failure.

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March 16, 2005  
14.47.47

Attachment: Appendix 'A' – Proposal Summary–CA Unicenter Software and Maintenance  
Appendix 'B' – Staff Summary Sheet - Interim Authorization

APPENDIX 'A'

CA UNICENTER SOFTWARE AND MAINTENANCE

PROPOSAL SUMMARY

Description	Total (tax included)
New Asset Mgmt Server Agent Licenses and additional licenses of existing software	<b>\$173,702.90</b>
Year 1 Maintenance for new and existing CA software	<b>\$272,239.50</b>
Year 2 Maintenance for new and existing CA software	<b>\$280,406.80</b>
Year 3 Maintenance for new and existing CA software	<b>\$288,819.05</b>
<b>GRAND TOTAL</b>	<b>\$1,015,168.25</b>
<b>UPSET LIMIT AMOUNT (20% contingency included)</b>	<b>\$1,220,000.00</b>
<b>MINUS AMENDMENT APPROVED BY STAFF</b>	<b>- \$20,000.00</b>
<b>* RECOMMENDED UPSET LIMIT AMOUNT</b>	<b>\$1,200,000.00</b>

\* Recommended for award.