
**TORONTO TRANSIT COMMISSION
REPORT NO.**

MEETING DATE: March 21, 2007

SUBJECT: Procurement Authorization – CA Mainframe Software Maintenance

RECOMMENDATION

It is recommended that the Commission authorize a purchase order amendment to cover mainframe software maintenance services provided by Computer Associates Ltd., in the total amount of \$683,058.42 to a revised total of \$1,233,534.47 (incl. taxes), for the period ending February 27, 2010.

FUNDING

Sufficient funds are included in the 2007 TTC Operating Budget and will be included in future Operating Budgets as required.

BACKGROUND

The Commission utilizes various Computer Associates (CA) software products to manage its mainframe environment and provide additional functionality for user productivity such as data security, data backup and retrieval, and report writing etc.

These software packages were originally acquired at various times as the need arose and from various companies including Computer Associates. Computer Associates has purchased all these companies involved in the supply of the various software applications over time. Contracts were subsequently put in place with Computer Associates to replace the maintenance contracts with the original manufacturers. Each software product has an annual maintenance cost that provides support and software upgrades.

The contract for Mainframe Software Maintenance was awarded to Computer Associates in 2004 for a three year period, which was approved at the April 14, 2004 Commission Meeting. Contract details are as follows:

Original Contract: \$ 550,476.05
Amount of previously approved amendments: \$ 0
Amount of this amendment: \$ 683,058.42

Revised total contract amount: \$1,233,534.47

DISCUSSION

The mainframe software is comprised of various Computer Associates products, which are combined together under a Foundation License Suite. It is necessary to renew the software maintenance in order to manage the mainframe environment in an efficient and effective manner. This software maintenance renewal is only available from Computer Associates.

Computer Associates provided pricing, as summarized on Appendix A. Based on the original pricing submitted by Computer Associates, a price comparison with the current contract revealed an increase of approximately 4% in year one of the contract, an increase over year one pricing of 4% in year two, and an increase over year two pricing of 4% in year three.

Staff was able to negotiate pricing to an increase of 3% in year one of the contract, an increase over year one pricing of 3% in year two and an increase over year two pricing of 3% in year three. This results in a total cost avoidance of \$11,827 before taxes (approximately 2%).

Computer Associates agreed to the same terms and conditions as the current contract, which is acceptable.

JUSTIFICATION

This mainframe software maintenance is required to continue managing the mainframe environment. The mainframe software products ensure the environment is operating efficiently and effectively. These products provide the Database Management System, reporting and performance monitoring tools for TTC applications such as: Materials Management System, Vehicle Maintenance System, Accounts Payable, Payroll and General Ledger.

March 8, 2007
14-66-92

Attachment: Appendix A

Appendix A

Proposal Summary

Mainframe Software Maintenance

		YEAR 1	YEAR 2	YEAR 3	3
MAINFRAME SOFTWARE SUPPORT	ORIGINAL TOTAL (incl. taxes)	\$223,135.62	\$232,061.82	\$241,343.70	
	NEGOTIATED TOTAL (incl. taxes)	\$220,990.14	\$227,619.84	\$234,448.44	

* Recommended for Award to Computer Associates in the total amount of \$683,058.42
for a 3 yr. period