

Request to Increase the JDE Hardware Upgrade Project Budget - LF#2005-0853

As is my custom of trying to keep the AIS Committee as informed as possible on MIS projects and concerns. This issue is one that I will be bringing forward for council discussion very soon.

On December 12, 2005, City Council approved upgrading hardware for the City's financial software system. At that time I explained the process and how we would be purchasing the equipment. The price for the component that we are going to use to back up all the servers with was based on the quote from our recent network upgrade. As you would expect we want to maintain consistency across all of our installed servers. This will eliminate the need for dual systems and provide for ease of use. As the new network was being installed and we were implementing the backup system it was discovered that TSI (backup vendor) made a mistake in their quote. As you can see there is a significant difference between the network quote and the actual pricing structure, a difference of \$25,912.00. They are absorbing the cost of their mistake, however this caused our estimate for the licensing required to backup the financial system servers to be grossly underestimated and the reason for this explanation.

I have attached a spreadsheet to show how we came up with our original estimate for the JDE financial upgrade and what the actual costs will be. As you can see our estimate of what it would take to add the JDE financial hardware to the backup system was considerably off because we based it on the vendors inaccurate quote to us. We estimated a three year cost to be \$5,494 when in actuality it will be \$27,608.

Our budgeted amount for the hardware upgrade is \$250,000. In December I requested \$175,000 to do this project. Based on the new figures that we have from the vendor I will have to ask council to increase the amount of this project from the original \$175,000 to \$197,000 an increase of \$22,000.

