
2004 CAPITAL BUDGET BRIEFING NOTE

Issue/Background:

TORONTO SOCIAL SERVICES (TSS) IT DOWNLOAD:

The delivery of the OW Program is totally dependent on the use of technologies. In addition to meeting Corporate standards, equipment and network connections must conform to Provincial standards necessary for the Provincial Service Delivery Model Technology (SDMT). This is the Province wide OW delivery system that all municipalities must use. In fact, the technology is part of the legislation that governs the OW Program.

Until 2003, computer equipment was leased by the Province and supplied to Consolidated Municipal Services managers (CMSM) as required, including IT refresh under Provincial guidelines to support the mandatory Ontario Works Program.

In August 2002, Province advised TSS of the provincial Integrated Network Project (INP). Under the Provincial INP initiative, TSS will be responsible for the acquisition, administration, maintenance and replacement of the divisional computer equipment and network infrastructure. The lease of computers expired in the fall of 2003 and the Province has downloaded this responsibility to the City.

Previously, the Province billed the City an annual amount of \$1.940 million to cover the equipment and maintenance costs, but has agreed to waive the 2003 payment to assist the City with the equipment replacement costs in 2004. The \$1.940 million base operating budget in 2004 and 2005 will also be used to offset the costs of replacing the equipment and the utilization of this funding is reflected in the 2004 Recommended Capital Budget. Beyond 2005, these operating savings will be used to fund ongoing IT equipment replacement needs.

The total Capital Budget Request for IT Refresh is \$ 7.304 Million (including \$ 0.494 Million for 760 new MS Office Suite licenses) of which \$5.820 Million will be funded from operating budget lease savings in 2003, 2004 and 2005. The budget request covers a two year period with a budgeted expenditure of \$4.904 Million in 2004, and \$2.40 Million in 2005.

Cost factors to be considered in assessing the refresh plan are the purchase of the hardware itself, the labor costs of the refresh process, the increasing service costs associated with the hardware not refreshed, and disposal costs for old equipment not retained.

Key Points:

- Operating savings related to the City's share of the lease costs of the equipment being replaced will be used to offset \$3.880 million of the 2004 capital costs, \$1.940 million of the 2005 capital costs and to future IT equipment replacement needs.

- See list of equipment below:

Item	2004 Budget Request	2005 Budget Request	Total Budget Request
Desktop Computers (2308 Computers) <ul style="list-style-type: none"> • Allocated to interview booths, front counters, caseworkers, management and program support staff • The recommended life cycle of City's desktop computer is 48-60 months. • The existing equipment was leased and provided to Social Services by the Province in early 1999. This equipment is near to or exceeds its life cycle in 2004 & 2005. • As the equipment ages, costs to maintain it will increase significantly, and performance problems will be more frequent and more disruptive to user productivity. • The average service charge for the existing equipment is estimated at \$ 341.00 per incident in 2003. • The new desktop is Corporate & Provincial standard • \$ 1950.00 per unit 	\$2.79 Million (1430 Computers)	\$1.71Million (878 Computers)	\$4.5 Million (2308 Computers)
190 Laser Printers <ul style="list-style-type: none"> • The existing laser printer is Lexmark Optra 3455. The manufacturer's stated life cycle for the printer is 250,000 pages. The current average usage for these Social Services laser printers is 220,000 pages. Service will be required for these laser printers when they reach 250,000 pages at a cost of \$700.00 per unit. The total 2004 costs for this service is estimated \$ 133,000. • The new laser printer is Corporate & Provincial standard. • \$ 4,200.00 per unit 	\$0.8 Million	\$0.00	\$0.8 Million
Domain Servers (15 Servers) <ul style="list-style-type: none"> • Corporate & Provincial standard • \$13,000 per unit 	\$0.00	\$0.2Million	\$0.2Million
Labour (Configure, ship, Connect, test) <ul style="list-style-type: none"> • Estimated cost from Corporate IT is \$ 325.00 per unit 	\$0.47 Million	\$0.28 Million	\$0.75 Million
Hardware Disposal Fee <ul style="list-style-type: none"> • Estimated cost from Corporate IT is \$ 150.00 per unit 	\$0.22 Million	\$0.13 Million	\$0.35 Million
Software Upgrade <ul style="list-style-type: none"> • Upgrade 320 Microsoft Office Suite 97 version to Corporate standard Windows XP version • \$ 650.00 per license 	\$0.13 Million	\$0.08 Million	\$0.21 Million
Microsoft Office Suite <ul style="list-style-type: none"> • Purchase 760 Microsoft Office Suite XP version 	\$0.494 Million	\$0.00	\$0.494 Million
Total Budget Request	\$4.904 Million	\$2.40 Million	\$7.304 Million

Questions & Answers:

1. When were the computers last replaced?

Answer: 1999

2. How many computers will be replaced

Answer: The plan is to phase in the replacement of the Division's 2,308 computers over 2 years. 1,430 will be replaced in 2004 with the balance of 878 in 2005

3. For how long will the new computers be operational?

The recommended life cycle of the City's desktop computers is 48 to 60 months.

Date:
February 13, 2004