



REPORT

To: Chair and Directors

Report Number: ADM-BRD-482

From: Trevor Ouellette, IT Manager

Date: March 21, 2024

Subject: Contract Award – CDW Canada

RECOMMENDATION: *[Corporate Weighted]*

That the Regional Board authorize the purchase of 'SCALE Computing HCI Nodes' to CDW Canada at a total cost of \$81,433.05 (excluding taxes); further, that the Chair and Chief Administrative Officer be authorized to sign the agreement on behalf of the Peace River Regional District.

BACKGROUND/RATIONALE:

The SCALE Computing Hyper-converged Infrastructure (HCI) server cluster has been a key piece of infrastructure since its implementation in 2017. Over the years, it has supported our operations, enabled automated workflow, and provided robust performance. However, over time, three out of the four nodes comprising the cluster have now reached their end-of-life stage. This imminent obsolescence presents a pressing need for their immediate replacement.

As of mid-2024, software upgrades, technical support, and services for these aging node clusters will no longer be provided. This situation poses a significant risk to our operations, as the absence of necessary maintenance and support could lead to system vulnerabilities and potential disruptions. Fortunately, the architecture of our HCI cluster offers a strategic advantage in this scenario. The SCALE cluster's design emphasizes flexibility, enabling us to replace aging nodes without necessitating a full-scale system overhaul. This approach minimizes cost implications over time while ensuring continuity and stability in our operations.

This purchase would replace the three outdated nodes, effectively securing the system's stability for the foreseeable future, mitigating potential risks, and safeguarding our organization's critical functions. This proactive measure ensures the infrastructure has an upgraded lifecycle for the next 6-7 years without compromising performance or security.

During the Regional Board meeting on July 14, 2022, the Regional Board revised its Procurement Policy to authorize the utilization of Group Procurement Organizations (GPO) like Canoe Procurement. GPOs function as entities that facilitate cost savings and operational efficiencies for wider public sector entities by consolidating purchasing volume. This collective leverage enables negotiations for discounts with manufacturers, distributors, and other vendors, thereby maximizing value for participating organizations.

As CDW Canada is an authorized supplier with Canoe Procurement, PRRD was able to leverage our membership affiliation to optimize cost savings. Businesses awarded contracts by Canoe through the publicly tendered Request for Proposals (RFP) process gain approved supplier status. These suppliers

have proven their capability and willingness to offer service and best pricing within their awarded category for Canoe's members. By utilizing this service, we've managed to significantly reduce the total cost, resulting in a substantial saving compared to the allocated budget.

ALTERNATIVE OPTIONS:

1. That the Regional Board provide further direction.

STRATEGIC PLAN RELEVANCE:

- Not Applicable to Strategic Plan

FINANCIAL CONSIDERATION(S):

The cost is under the budgeted amount of \$125,000 and the purchase was approved by the Regional Board as a supplemental item in 2024.

COMMUNICATIONS CONSIDERATION(S):

The vendor will be advised of the outcome.

OTHER CONSIDERATIONS:

This contract award is the responsibility of the Regional Board under the current terms of the Procurement Policy, which was structured to align with Canada's competitive bidding laws and compliance with applicable trade agreements, such as the *North West Partnership Trade Agreement* (NWPTA) and the *Canada Free Trade Agreement* (CFTA). The Canadian Free Trade agreement recently increased thresholds where competitive bidding is required from \$121,200 to \$133,800, in recognition of rising cost of goods and services.

The Procurement Policy specifies award of contracts in excess of \$75,000 must be approved by the Regional Board, even when the budget has been approved for the purchase. Inflationary pressure on purchase of goods and services may result in an increased number of purchase contracts requiring Board approval.