

Chair and Members
Corporate Services Committee

November 15, 2013
(Award Contract)

**RE: Network Modernization - Network
Capital Project GG1043 - Network Modernization
TELUS Communications Company - \$2,487,224.49 (excluding H.S.T.)**

FINANCE REPORT ON THE SOURCES OF FINANCING:

Finance anticipates that the cost of this project can be accommodated within the financing available for it in the 2013 Corporate Budget and that, subject to the adoption of the recommendations of the Chief Technology Officer, Information Technology Services, the detailed source of financing for this project is:

<u>ESTIMATED EXPENDITURES</u>	<u>Approved Budget</u>	<u>Additional Funding Requirement</u>	<u>Revised Budget</u>	<u>Committed to Date</u>	<u>This Submission</u>	
Construction	46,144		46,144	46,144		
Other City Expenses - Licenses	755,400		755,400	755,400		
- Computer Equipment	1,565,856	1,895,155	3,461,011	930,012	2,530,999	
TOTAL ESTIMATED EXPENDITURES	<u>\$2,367,400</u>	<u>\$1,895,155</u>	<u>\$4,262,555</u>	<u>\$1,731,556</u>	<u>\$2,530,999</u>	
SOURCE OF FINANCING:						
Capital Levy	2)	2,367,400	1,895,155	4,262,555	1,731,556	2,530,999
TOTAL FINANCING		<u>\$2,367,400</u>	<u>\$1,895,155</u>	<u>\$4,262,555</u>	<u>\$1,731,556</u>	<u>\$2,530,999</u>

1) **Financial Note:**

Contract Price	\$2,487,224
Add: HST @13%	323,339
Total Contract Price Including Taxes	2,810,563
Less: HST Rebate	279,564
Net Contract Price	<u>\$2,530,999</u>

- 2) Civic administration anticipates that the additional capital levy requirement of \$1.9 million can be accommodated within the 2013 corporate budget. Should sufficient funds not be available at 2013 year end, a drawdown from the Effectiveness, Efficiency, and Economy reserve may be required.
- 3) Future additional annual operating costs for support and maintenance on this hardware and software are accommodated within the planned ITS operating budget.

EH



Alan Dunbar
Manager of Financial Planning & Policy