



CITY COUNCIL REPORT

Date: February 12, 2008

TO: Phillip L. Nelson, City Manager

FROM: John M. Lamerato, Assistant City Manager/Finance and Administration
Gert Paraskevin, Information Technology Director

SUBJECT: Auction Computers and Computer Replacement

Background:

- The City started replacing personal computers in the 1999/2000 budget. The goal was to replace equipment that was out of warranty and quickly becoming obsolete. The reliability and speed of the oldest computers could not keep pace with the requirements of new and updated software that the city was implementing. It was recommended at that time those computers be replaced to maintain an acceptable level of performance and efficiency.
- In the 2003/2004 budget the city formally adopted a 3 year replacement program. This made good sense because systems were purchased with a 3-year warranty. That was the typical expected life of a new personal computer at that time because technology was changing at a very rapid pace. Our experience has demonstrated that it is generally at the end of the 3-year time frame that we begin to experience problems. Hardware begins to fail; including monitors, hard drives, and CD/DVD drives. Once the warranty has expired it requires much more labor to upgrade or repair systems, additional cost to purchase replacement parts, and causes more downtime to end-users. In addition, as software is upgraded hardware requirements also increase. If you do not keep pace with current hardware technology, you cannot enjoy the benefits of improved software and operating systems. Trying to utilize current software on older machines causes compatibility problems, slow response as well as reduced efficiencies.
- In 2005 the city began to auction out of service computers that couldn't be recycled or used for parts. This provided an opportunity to recoup some costs rather than pay to dispose of them. The majority of computers that have been auctioned are desktop DELL GXA's with a Pentium II 266 to GX110s ranging from a Pentium III 533 to 933 with either 128 Mb or 256 Mb of memory. Many of them didn't even contain a CD burner. We also auctioned 7 Panasonic Toughbook laptop computers, but only after parts were scavenged to try and build two functioning computers. They were in very poor condition having been used in the field by the Police Department. Many of the screens were cracked and they were approximately 6 years old. We have not auctioned any other laptops to date. We did keep some DELL laptops in hopes that they could be re-used for an application in City Clerks office related to the elections. Unfortunately, when we wanted to use

them we discovered the application was just upgraded and could only run on Windows 2000 or higher, but the laptops were only licensed for Windows 98. We have the option of purchasing a newer operating system for these laptops, however, they cannot support Windows XP as they are rated far below the minimum requirements. The next time we might be able to utilize them a new version of the software will most likely be released that no longer supports anything below Windows XP. These will be auctioned soon.

- In the 2006/2007 budget we modified our computer replacement program to replace a third of our computers each year for three years, then in the fourth year rather than replace computers we would use the funds to upgrade or purchase software. In 2006 this allowed us to upgrade Microsoft Office from version 2000 to version 2007 without increasing the IT operating budget. Fortunately, advances in computer technology have slowed down in recent years so it takes a little bit longer for software changes to outpace hardware requirements.
- We are currently preparing for the next computer replacement. As a result we will be auctioning additional desktop and laptop computers. These will be over 4 years old. Older equipment is utilized in low usage situations if possible, rather than auctioned. The equipment that is put up for auction has typically been very well used and is beyond its useable lifecycle in our environment. Unfortunately, the longer equipment is used the less we are able to recoup at auction and the more it costs us to support and maintain.

Financial Considerations:

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Legal Considerations:

- All hard drives in auctioned computers are erased to the Department of Defense standard to ensure no information can be recovered. This was verified by the City's computer forensics expert in the Police Department.

Policy Considerations:

- The goal of the computer replacement program is to keep maintenance and support cost to a minimum while maintaining if not improving the efficiency of end users. As employees become more proficient with their computer skills, the computer replacement program will ensure that their tools keep up with their proficiency. (Objective II)