

The Regional Municipality of York

Committee of the Whole
Environmental Services
April 4, 2019

Report of the Commissioner of Environmental Services

Software Licenses, Maintenance and Contract Renewals

1. Recommendations

Council authorize the Region to enter into agreements with the vendors listed in Private Attachments 1 and 2, and the Commissioner of Environmental Services be authorized to execute agreements with these vendors and renew them on an annual basis, for up to five years, subject to the costs being within the annual approved budget, and satisfactory performance of services by the vendors.

2. Summary

This report seeks Council authorization to extend the Environmental Services department-specific software licensing, maintenance, and support services annually for up to a total term of five years.

The attachments in this report are private pursuant to section 239(2) (a) of the *Municipal Act, 2001*, because the subject matter of the attachments involves the security of the property of the Region.

Section 10.1 (a) of the [Purchasing Bylaw](#) permits direct purchases where the paramount consideration is compatibility with existing equipment, facilities or service. Where the value of the direct purchase exceeds \$150,000, Council approval is required. In addition, Section 18.1(a) of the Bylaw requires Council approval, irrespective of the value of the purchase, where a direct purchase from an existing vendor results in an aggregate term greater than five years. The contracts that are the subject of this report fall into one or both of these categories.

3. Background

Department-specific software applications are used to deliver core services

The Environmental Services department uses a wide range of department-specific software applications to support service delivery. These software applications enable operating branches to carry out their specific program mandates in accordance with applicable guidelines and legislation. Software applications listed in Private Attachments 1 and 2 serve

to streamline processes and workflows, and facilitate efficient delivery of program services to local municipalities, residents and business partners.

Various software applications have been in use for several years and, due to the complexity of business needs, and the operational impact to changing technologies, maintaining continuity is critical. While many software applications cost considerably less than the financial thresholds within the Purchasing Bylaw, maintenance and support services may be provided for more than five years.

Continued use of software applications will require Council approval under the Purchasing Bylaw

Council approval is required to award contracts under sections 10.1 (a) where the total costs exceed \$150,000. Section 18.1(a) of the Bylaw also requires Council approval where the term of a proposed contract is for a period of greater than five years or where the renewal or extension of a contract would result in an aggregate term of greater than five years.

Some software applications will exceed the \$150,000 threshold for direct purchases under the Purchasing Bylaw

Environmental Services staff completed a review of specific software application licenses, support and maintenance services in place to support service delivery. Private Attachment 1 provides details, including a general product description, the estimated annual costs and the estimated five year total costs, for each of the six software applications that will exceed \$150,000.

Some software applications will cumulatively exceed the five year threshold set out in the Purchasing Bylaw

There are a number of software applications that have been in use within the department that fall well below the financial threshold requiring Council approval. Due to the ongoing nature of the maintenance and support services, these software application agreements will exceed the five year threshold in Section 18.1 of the Purchasing Bylaw. A list of these 27 software applications has been provided in Private Attachment 2 of this report. Council approval is required to continue maintenance and support for these software applications.

4. Analysis

Environmental Services requires continued licensing, maintenance and support services for department-specific software to ensure system reliability and business continuity

Software vendors are selected through a procurement process that carefully evaluates business requirements, technical requirements and best value to the Region.

Agreements are always established during the procurement of software to maintain the software's reliability, compatibility and provide technical support. These agreements can include:

- Subscription services to provide user access to specific software
- Maintenance services such as upgrades, security patches and basic repair
- Enhancements to systems to adjust to program needs, or infrastructure compatibility
- Support services such as access to help desk support and professional services to aid staff in developing reports and resolving problems
- Hosting services to provide and maintain a dedicated environment for the software

The transition to new software applications can be a costly, multi-year effort due to required activities such as:

- Requirements and information management planning
- Re-design of system integrations and data migration
- System quality assurance testing
- Staff training and re-training
- Business process development

Continued maintenance of these software applications is essential in effectively supporting delivery of Environmental Services programs

All of the identified software applications in Private Attachments 1 and 2 continue to provide value to operating branches and are evaluated regularly to ensure they continue to meet business needs. Renewals are subject to satisfactory vendor performance and a demonstrated, continued business need.

Renewed agreements will minimize business disruptions and enable the operating branches to carry out their specific program mandates in accordance with program guidelines and legislation.

5. Financial

Annual costs for software licensing, maintenance and support services may vary based on several factors

The annual cost of software licensing, maintenance and support services may vary depending on the number of users, service use, Consumer Price Index, upgrades or enhancements required to meet changing business needs.

Private Attachment 1 summarizes the estimated total cost for each technology between January 1, 2019 and December 31, 2023 for software applications that exceed the financial threshold in the Purchasing Bylaw. The five-year estimated total is based on continued use for the five years. The total estimated five-year calculations factor in Consumer Price Index cost adjustments and estimated change in user licensing requirements.

Private Attachment 2 includes the estimated annual cost for each software application that falls below the financial threshold but exceeds the five year threshold under the Purchasing Bylaw.

In some cases, software may be replaced or discontinued prior to the end of 2023. Cost estimates for the six software applications in Private Attachment 1 and 27 software applications in Private Attachment 2 have been included as a guide to the expected costs and are estimated to total approximately \$800,000 annually. The actual costs for all software licensing, maintenance and support services will be managed within the approved annual operating budget of the Environmental Services department.

6. Local Impact

The Region provides local municipalities with access to Regional data and certain software applications. Changes in software applications could reduce service levels to local municipal partners while business processes undergo a redesign.

Continued use of established software applications that meet required business needs will ensure timely and reliable access to business information and support effective program partnerships with local municipalities.

7. Conclusion

Software applications are critical to support the Environmental Services department in its program service delivery. The Purchasing Bylaw requires Council approval for direct purchases over \$150,000 and also where the term of an agreement will exceed five years.

Renewal of the Environmental Services department-specific licensing, maintenance and support services outlined in this report will ensure continuity and consistency in program delivery and enable Environmental Services staff access to software and solutions that support operational needs and services to local municipalities, residents and business partners.

For more information on this report, please contact Michelle Canham, Director, Business Planning and Operations Support at 1-877-464-9675 ext. 73040. Accessible formats or communication supports are available upon request.

Recommended by: **Erin Mahoney, M. Eng.**
Commissioner of Environmental Services

Approved for Submission: **Bruce Macgregor**
Chief Administrative Officer

March 22, 2019
Private Attachments (2)
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