

The Regional Municipality of York

Committee of the Whole
Finance and Administration
October 10, 2019

Report of the Commissioner of Finance

Technology Systems Contract Extensions

1. Recommendations

1. Council authorize the extensions of the agreements between the Region and each of the vendors listed in Private Attachment 1.
2. The Commissioner of the department requiring the product or service be authorized to exercise options to extend the agreements for up to the maximum term described in Private Attachment 1, on the same terms, provided that the vendors have performed the services to the satisfaction of the Commissioner and the total cost is within the approved annual budget for these services.

2. Summary

This report seeks approval for the Region to extend five agreements with current providers of technology system licenses and services as listed in Private Attachment 1. Council approval is required under the direct purchase provisions of Section 10.1(a) and Section 18.1 of the Purchasing Bylaw, respectively, because the value of the contract extensions are direct purchases greater than \$150,000 and because the extension of the agreements will result in aggregate terms of greater than five (5) years.

The attachment to this report is private pursuant to Section 239(2)(a) of the *Municipal Act, 2001*, as the subject matter of the attachment involves the security of the property of the Region.

Key Points:

- Technology systems are used to support service delivery and business requirements.
- License and service contracts are established to support the availability and consistency of these systems.
- Five directly purchased contracts require extensions to continue providing system access and obtaining services.
- Council approval is required under the direct purchase provisions of Section 10.1(a) and Section 18.1 of the Purchasing Bylaw.

3. Background

The Region uses technology systems to support service delivery and business requirements

The Region's technology environment includes a range of systems to support service delivery and business operations across the organization. These systems were originally selected through individual procurement processes that evaluated the system's capabilities against technical requirements, business requirements and value to the Region.

Technology environments require a high degree of interoperability between systems to support the secure and effective exchange and use of information. Introducing or replacing individual systems within the environment are complex initiatives that require significant time and resources to:

- Plan and mitigate technical impacts to the environment
- Assess and mitigate security risks during and after the transition
- Develop, configure and test integrations between the new and existing components
- Transition from the existing to new component while managing operational and productivity impacts
- Train staff on the hardware and software's use and operation.

As a result, systems are maintained over the long term to support consistency within the technology environment, prevent service disruption resulting from changing systems, and maximize the return on the investment required to implement and operate them.

License and service contracts support system access and protect the Region's investment

Effective long-term use of technology systems is enabled by license and service contracts that support system growth and maintain system reliability. These contracts are sustained over the life of the system and include:

- Licenses (subscriptions) to provide system access
- Maintenance and support services such as upgrades, security patches, basic repair and access to help desk support
- Professional services to support product configuration, enhancements and training.

4. Analysis

Five technology systems require contract extensions to ensure continued compatibility, system access and reliability

Licenses and services for five technology systems are directly purchased from the vendors listed in Private Attachment 1 as they are only entities reasonably capable of providing the deliverables. Council approval is required to extend each contract since the aggregate term of the contract is greater than five (5) years and the total contract value is greater than \$150,000.

Table 1 provides a breakdown of these five contracts according to their original start date and their extension term. Vendor and corresponding system information is provided in Private Attachment 1.

Table 1
Summary of Original Contract Start Dates and Extension Terms

Vendor	Original Contract Start Date	Extension Term
1	2009	Five years (2020-2025)
2	2016	Five years (2019-2024)
3	2004	Six years (2019-2025)
4	2017	Five years (2020-2025)
5	2012	Five years (2019-2024)

The systems are regularly reviewed to ensure they continue to support business requirements, with their contract extensions being subject to an analysis of the system's ongoing value to the Region and overall vendor performance.

5. Financial

The estimated cost to extend the five contracts is provided in Table 2 below.

Table 2
Estimated Total Extension Costs

Vendor	Extension Term	Estimated Total Cost (\$)
1	Five years (2020-2025)	1,100,000
2	Five years (2019-2024)	160,000
3	Six years (2019-2025)	150,000
4	Five years (2020-2025)	120,000
5	Five years (2019-2024)	100,000
Total		1,630,000

The estimated cost calculations factor in annual cost adjustments and forecasted changes in user, business and operational requirements.

The required funding is included in the responsible department’s 2019 budget and the approved 2020-2022 operating outlook, and will be included in future budgets. Departments will continue to be charged back to recover costs, as required.

6. Local Impact

There are no direct local municipal impacts as a result of this report.

7. Conclusion

Staff is seeking Council authorization to extend five technology system contracts for terms of up to five or six years, as specified. These contracts support the reliability of technology systems used to meet business requirements, and contribute towards a consistent and stable technology environment for the Region.

For more information on this report, please contact Richard Leest, Acting Director, Information Technology Services at 1-877-464-9675 ext. 71812. Accessible formats or communication supports are available upon request.

Recommended by:

Laura Mirabella, FCPA, FCA
Commissioner of Finance and Regional Treasurer

Approved for Submission:

Bruce Macgregor
Chief Administrative Officer

September 24, 2019
Private Attachments (1)
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