

Clause 12 in Report No. 10 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on June 28, 2018.

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Software Licences, Maintenance and Contract Renewals

Committee of the Whole recommends adoption of the following recommendations contained in the report dated May 25, 2018 from the Commissioner of Environmental Services:

1. Council authorize the Region to enter into agreements with the vendors listed in Private Attachment 1, as a direct purchase, for software licensing, support and maintenance for a term of five years, effective August 1, 2018.
2. The Commissioner of Environmental Services be authorized to exercise the option to extend the agreements for a further term of five years, up to August 1, 2028, provided that the vendors have performed the services to the satisfaction of the Commissioner and provided that the renewal amounts are within the approved department budget.

Report dated May 25, 2018 from the Commissioner of Environmental Services now follows:

1. Recommendations

It is recommended that:

1. Council authorize the Region to enter into agreements with the vendors listed in Private Attachment 1, as a direct purchase, for software licensing, support and maintenance for a term of five years, effective August 1, 2018
2. The Commissioner of Environmental Services be authorized to exercise the option to extend the agreements for a further term of five years, up to August 1, 2028, provided that the vendors have performed the services to the satisfaction of the Commissioner and provided that the renewal amounts are within the approved department budget.

2. Purpose

This report seeks Council authorization to enter into new contracts with two vendors of existing software licensing, maintenance, and support services. Council approval is required under the Purchasing Bylaw because the aggregate term of the proposed contracts is greater than five years. The five year term of each existing agreement will expire in August 2018. The proposed new agreements will each be for a term of five years with an option to extend each for an additional term of up to five years, resulting in a total aggregate term of fifteen years.

The rationale for this direct purchase is the compatibility of the new equipment with the Region's existing system is the paramount consideration.

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

3. Background

Energy tracking and dashboard software supports the Region's reporting obligations and delivery of corporate energy services

The Region relies on software applications to support delivery of corporate energy services including monitoring, analysis and reporting of progress towards the Vision 2051 aspirational goal of zero corporate greenhouse gas emissions by 2051. These software applications enable operating branches to conduct day-to-day monitoring of energy and satisfy regulatory reporting requirements on an annual basis. As required by the *Green Energy Act, 2009*, reporting of energy consumption, associated costs and the greenhouse gas emissions generated by municipal operations is submitted annually to the Ministry of Energy.

Dashboard software promotes the sustainably features in a building and encourages occupants to participate in their positive environmental attributes such as energy efficiency and water use reduction. Dashboards are in place at three regional buildings including the Paramedic and Senior Services Headquarters, the Administrative Centre, and the Forest Stewardship Centre. They were customized to enable Leadership in Energy and Environmental design (LEED®) certification through monitoring energy and water consumption in real-time.

4. Analysis and Implications

The Purchasing Bylaw requires Council approval of contracts with aggregate terms in excess of five years for direct purchases. The aggregate term of the two software agreements will be 15 years, thereby exceeding the five year threshold. Council approval is therefore required to enter into new agreements with the vendors under the direct purchase provision of the Purchasing Bylaw.

Continued licensing, maintenance and support services are required to ensure system reliability and business continuity

The software applications outlined in this report continue to provide value to Corporate Energy Services, and are evaluated regularly to ensure they continue to meet business needs. Renewals are subject to satisfactory vendor performance and continued business needs. Renewed agreements will minimize business disruptions and enable Corporate Energy Services to carry out their specific program mandates in accordance with program guidelines and legislation.

Compatibility with existing technology systems and vendor continuity is of paramount important for the requested support service agreements

Technology vendors are selected through a procurement process that evaluates business requirements, technical requirements and best value to the Region. Agreements are established as part of the procurement of software to maintain the software's reliability, compatibility and provide for 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 dedicated online environment for the software

The transition to new technology systems can be costly, multi-year efforts due to required activities such as:

- The re-design of system integrations and data migration
- System quality assurance testing
- Staff re-training
- Business process redevelopment

Renewing agreements with existing service providers represents value for money for the Region. The service providers for the software applications outlined in this report are included in Private Attachment 1.

5. Financial Considerations

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

The actual future cost of licensing, maintenance and support services will vary depending on service use, Consumer Price Index increase, and upgrades or enhancements required to meet changing business needs.

The total estimated five and ten year costs factor in estimated changes in Consumer Price Index cost adjustments and anticipated software enhancements. Additionally, depending on business and regulatory needs the software may be replaced or discontinued prior to the end of either 2018 or 2023 five year terms.

Ten year cost for the support service agreements is available in the Environmental Services budget

The ten year renewal cost is CAD \$52,500 and USD \$48,300 respectively, and is detailed in Table 1 below. Funds are available in the Environmental Services budget.

Table 1
Cost for two support service agreements over ten years

Software	August 2018-2023	August 2023-2028	Total
Tracking Software	CAD \$25,000	CAD \$27,500	CAD \$52,500
Dashboard Software	USD \$23,000	USD \$25,300	USD \$48,300

The support service agreements reserve the Region's right to terminate these agreements early in the event that business needs change or vendor performance is not satisfactory.

6. Local Municipal Impact

There are no local municipal impacts associated with this report.

7. Conclusion

Software support contracts are essential to corporate energy services program delivery. The Purchasing Bylaw requires Council approval for direct purchases which have an aggregate term exceeding five years.

This report seeks authority for the Region to enter into agreements with the service providers listed in Private Attachment 1 for software support services under the direct purchase provisions of the Purchasing Bylaw.

Renewal of the licensing, maintenance and support services will ensure the Region meets its regulatory and program delivery requirements. Region staff will continue to access technology software solutions that support regulatory and operational needs in reducing greenhouse gas emissions.

For more information on this report, please contact Wendy Kemp, Director, Strategy and Innovation, Environmental Services at 1-877-464-9675 ext. 75141.

The Senior Management Group has reviewed this report.

May 25, 2018

Attachments
Private Attachment (1)

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Accessible formats or communication supports are available upon request