

Clause 17 in Report No. 11 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on June 23, 2016.

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## Licensing, Hosting, Maintenance and Related Services for eProcurement

Committee of the Whole recommends adoption of the following recommendations contained in the report dated June 1, 2016 from the Commissioner of Finance:

1. Council authorize the renewal of the direct purchase agreement for the combined licensing, hosting, maintenance and related services for the bids & tenders and eBidding software products to eSolutions Group Ltd. for a term of one year, from January 1, 2016 to December 31, 2016, at total cost of \$11,380.00, excluding HST.
2. Council authorize the Commissioner of Finance to execute the agreement and exercise the option to renew the contract, on an annual basis, at an upset limit of \$11,380.00 per year, for four additional one year terms, subject to budget approval and ongoing business and technology needs.

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Report dated June 1, 2016 from the Commissioner of Finance now follows:

### 1. Recommendation

It is recommended that:

1. Council authorize the renewal of the direct purchase agreement for the combined licensing, hosting, maintenance and related services for the bids & tenders and eBidding software products to eSolutions Group Ltd. for a term of one year, from January 1, 2016 to December 31, 2016, at total cost of \$11,380.00, excluding HST.
2. Council authorize the Commissioner of Finance to execute the agreement and exercise the option to renew the contract, on an annual basis, at an upset limit of \$11,380.00 per year, for four additional one year terms, subject to budget approval and ongoing business and technology needs.

## 2. Purpose

Council approval is required when an aggregate term exceeds 5 years

In accordance with Clause 16.1(a) of the Purchasing Bylaw, Council approval is required for the continued licensing, hosting, maintenance and related services for the bids & tenders and eBidding software products as the renewal of the agreement with eSolutions Group Ltd. will result in an aggregate term of greater than 5 years.

The software products are proprietary

The continued use of the bids & tenders and eBidding software products is dependent on the proprietary and compatible purchase of the licensing, hosting, maintenance and related services from eSolutions Group Ltd. Council has the authority to award a direct purchase agreement (Clause 9.1 (a) of the Purchasing Bylaw).

This approval will sustain daily operations and facilitate the ongoing rollout of eProcurement.

## 3. Background

The bids & tenders software was purchased in November 2009

The bids & tenders software, including 1 year of licensing, hosting, maintenance and related services was purchased in November 2009 from eSolutions Group Ltd. The primary purpose of the software is to administer the issuance of public bids and related addenda, post bid results and maintain bid information for reporting purposes.

Table 1 provides a summary of the total fees paid (\$65,250, exclusive of HST) for the bids & tenders software.

**Table 1**  
**Total Fees – Bids & Tenders Software**

2009	2011 to 2014	2015
Initial purchase of software and 1 year (for calendar year 2010) of licensing, hosting, maintenance and related services	4 years of licensing, hosting, maintenance and related services	1 year of licensing, hosting, maintenance and related services
\$30,100	\$29,050	\$6,100

The eBidding software was purchased in July 2015

The eBidding software was purchased in July 2015 from eSolutions Group Ltd. The eBidding software allows for the electronic submission and acceptance of public bids.

Table 2 provides a summary of the total fees paid (\$25,305, exclusive of HST) for the eBidding software, including licensing, hosting, maintenance and related services.

**Table 2**  
**Total Fees – eBidding Software for 2 months in 2015**

Installation & Configuration	Training	Project Management	100GB Disk Space (2 months)	Licensing, Hosting, Maintenance and Related Services (2 months)
\$17,000	\$2,500	\$5,000	\$272	\$533

The bids & tenders and eBidding software products are an integral part of the public sector electronic bidding system developed by eSolutions Group Ltd.

The Region issued its first electronic bid in November 2015

The Region issued its first electronic bid in November 2015, permitting bidders to submit tenders electronically. During the first quarter of 2016, six electronic

tenders were issued on behalf of Transportation Services. During the remainder of 2016, eBidding will be rolled out to all Regional departments.

#### 4. Analysis and Options

The bids & tenders software provided a natural evolution for eBidding

After gaining experience with the bids & tenders software, it was a natural evolution for the Region to move toward eBidding. The eBidding software that the Region is currently using continues to be enhanced by eSolutions Group Ltd. in consultation with their public sector clients.

Currently there are 21 public sector agencies in Canada, including the Town of Newmarket, using eSolutions Group Limited's bids & tenders and eBidding software products.

Although eSolutions Group Ltd. continues to be the best provider for the required solution, staff will review alternative market offerings as they develop.

The bids & tenders and eBidding software products provide good value to the Region

Supplies and Services remains satisfied with the current electronic bidding system, consisting of the bids & tenders and eBidding software products. The ongoing business relationship with eSolutions Group Ltd. will assist the Region in enhancing procurement-to-payment processes across the organization.

The vendor community has provided positive feedback with respect to functionality, time savings and efficiency.

The Surety Association of Canada and several contractor associations, such as the Ontario General Contractor Association, have communicated their full support of the Region's introduction of eBidding.

Link to key Council-approved Plans

This report is consistent with the 2015 to 2019 Strategic Plan's priority of good government. It supports the Plan's objective of ensuring a fiscally prudent and efficient Region.

## 5. Financial Implications

eSolutions Group Ltd. has identified the Region as an Ambassador Client and has discounted the setup and annual fees charged to the Region by 35%.

The one year fee for both software products is \$11,380.

The one year term for licensing, hosting, maintenance and related services for the bids & tenders and eBidding software products is \$11,380, excluding HST, as shown in Table 3.

The agreement includes the option to renew the contract at the same price for four additional one year terms, subject to budget approval and ongoing business and technology needs.

**Table 3**  
**1 Year Fee - Licensing, Hosting,**  
**Maintenance and Related Services**

Licensing, hosting, maintenance and related services for the Bids & Tenders Software	Licensing, hosting, maintenance and related services for the eBidding Software
\$6,100	\$5,280

## 6. Local Municipal Impact

There is no local municipal impact associated with this report.

## 7. Conclusion

The bids & tenders software continues to address business needs and, with the inclusion of the eBidding software, the Region is able to provide electronic bidding.

This report recommends that Council authorize a direct purchase agreement for the combined licensing, hosting, maintenance and related services for the bids & tenders and eBidding software products to eSolutions Group Ltd. for a one year term at a total cost of \$11,380.00, excluding HST.

The report also recommends that the Commissioner of Finance be authorized to execute the agreement and exercise the option to renew the contract for four additional one year terms.

For more information on this report, please contact Stan Gal, Director, Supplies & Services, at ext. 71650.

The Senior Management Group has reviewed this report.

June 1, 2016

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Accessible formats or communication supports are available upon request