

Clause 12 in Report No. 8 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on May 17, 2018.

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Software Licenses, Maintenance & Contract Renewals

Committee of the Whole recommends adoption of the following recommendations contained in the report dated April 20, 2018 from the Commissioner of Community and Health Services:

1. Council authorize the Region to enter into agreements with the vendors listed in Private Attachment 1.
2. The Commissioner of Community and Health Services be authorized to exercise the option to extend the agreements up to December 31, 2023, provided that the contractors have performed the services to the satisfaction of the Commissioner and provided that the renewal amount is within the annual approved budget.
3. The Commissioner of Community and Health Services be authorized to delegate execution of the agreements to the respective branch head in the Community and Health Services Department from whom the contract originates, consistent with the branch head's approved signing authority.

Report dated April 20, 2018 from the Commissioner of Community and Health 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.
2. The Commissioner of Community and Health Services be authorized to exercise the option to extend the agreements up to December 31, 2023, provided that the contractors have performed the services to the satisfaction of the Commissioner and provided that the renewal amount is within the annual approved budget.

3. The Commissioner of Community and Health Services be authorized to delegate execution of the agreements to the respective branch head in the Community and Health Services Department from whom the contract originates, consistent with the branch head's approved signing authority.

2. Purpose

This report seeks Council authorization to extend 54 technology licensing, maintenance, and support services annually for up to a total term of five years.

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 the security of the property of the Region.

Section 10.1 (a) and (b) 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 to an existing vendor would result 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

Technology applications are used to deliver program services

The Community and Health Services department uses a wide range of software applications to support service delivery. These software applications enable operating branches to carry out their specific program mandates in accordance with program guidelines and legislation. Applications listed in Private Attachment 1 serve to streamline processes and workflows, and facilitate the delivery of program services to clients and residents.

Various applications have been in use for several years, and due to the complexity of business needs, and the operational impact to changing technology, 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.

Some of the Community and Health Services' current purchase of software agreements were made under purchasing authorizations provided by Council in [June 2014](#) and will expire at the end of December 2018. Council's authorization

is required to continue entering into extensions of software agreements with the current software vendors.

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) and (b) 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.

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

A review was undertaken of all Community and Health Services department specific software application licenses, support and maintenance services in place to support service delivery. Private Attachment 1 provides details, including a general product description, and estimated five year total required additional purchasing amount for the applications that will exceed \$150,000.

There are software applications that will cumulatively exceed the five year threshold set out in the Purchasing Bylaw

There are a number of technology applications that have been in use in various programs 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 application agreements have or will exceed the five year threshold in section 18.1 of the Purchasing Bylaw. A list of these software applications have been provided in Private Attachment 1 of this report. Council approval is required to continue these maintenance and support services.

4. Analysis and Implications

Community and Health Services requires continued licensing, maintenance and support services for technologies to ensure system reliability and business continuity

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

Agreements are often established during the initial 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 dedicated online environment for the software

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

- Requirements and Information Management planning.
- The re-design of system integrations and data migration.
- System quality assurance testing.
- Staff re-training.
- Business process redevelopment.

Continued maintenance of these systems is essential in effectively supporting the delivery of Community and Health Services programs

All the systems included in this report continue to provide value to operating branches, and are evaluated regularly to ensure they continue to meet the business needs. Renewals are subject to satisfactory vendor performance and 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 Considerations

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

The annual cost of 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 required additional purchasing amount for each technology between January 1, 2019 and December 31, 2023. The five-year estimated total required in Private Attachment 1 is based on continued use for the five years. The total estimated five-year calculations factor in estimated change in user licensing requirements, and Consumer Price Index cost adjustments. In some cases, the software may be replaced or discontinued prior to the end of 2023.

The cost estimates in Private Attachment 1 have been included as a guide to the expected costs. The actual costs for all licensing, maintenance, and support services will be managed within the approved annual operating budget of the Community and Health Services Department.

Of the 54 software applications listed in Private Attachment 1, 32 fall into the category costing less than \$150,000 over the total contract term, and 22 exceed the cost of \$150,000 over the total contract term. The estimated total required additional purchasing amount of all the contracts over the 5 year term listed in *Private Attachment 1* is \$4,974,584.

6. Local Municipal Impact

There is no impact to local municipalities as a result of the procurement process proposed in this report.

7. Conclusion

Software applications are vital to Community and Health Services to support service delivery. The Purchasing Bylaw requires Council approval for direct purchases over \$150,000 and where a contract is for a period of greater than five years.

Software Licenses, Maintenance & Contract Renewals

Renewal of the licensing, maintenance and support services will ensure continuity and consistency in program delivery and enable Community and Health Services staff access to technology software and solutions that support operational needs and services to York Region residents.

For more information on this report, please contact Karen Antonio-Hadcock, Director, Integrated Business Services, at 1-877-464-9675 ext. 72088.

The Senior Management Group has reviewed this report.

April 20, 2018

Private Attachment (1)

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Accessible formats or communication supports are available upon request