York Region

Clause No. 11 in Report No. 10 of the Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on May 15, 2014.

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TECHNOLOGY MAINTENANCE AND SUPPORT SERVICE CONTRACT RENEWALS

Committee of the Whole recommends adoption of the recommendation contained in the following report dated April 24, 2014 from the Commissioner of Finance:

1.   RECOMMENDATIONS

It is recommended that:

1. Council authorize the Commissioner of Finance to negotiate and execute extensions of the following agreements between the Region and:

    a. Oracle for PeopleSoft applications, Databases, and Database Lifecycle Management maintenance and support services, for a maximum of five years, at a total cost not to exceed $5,000,000.00, excluding applicable taxes;

    b. OpenText for eDOCS maintenance and support services, for a maximum of five years, at a total cost not to exceed $1,300,000.00, excluding applicable taxes;

    c. Citrix Systems for Netscaler Gateway and XenApp maintenance and support services, for a maximum of five years, at a total cost not to exceed $600,000.00, excluding applicable taxes;

    d. Hewlett-Packard (HP) Canada for HP server maintenance and support services, for a maximum of five years, at total cost not to exceed $150,000.00, excluding applicable taxes;

    e. Microsoft Canada for Microsoft software support services, for a maximum of five years, at a total cost not to exceed $625,000.00, excluding applicable taxes;

    f. ComputerTalk for Intelligent Communication Exchange (ice) maintenance and support services, for a maximum of five years, at a total cost not to exceed $125,000.00, excluding applicable taxes; and

    g. Kanatek Technologies Inc. for Symantec NetBackup maintenance and support services, for a maximum of five years, at a total cost not to exceed $500,000.00, excluding applicable taxes.

2.   PURPOSE

This report seeks Council authorization to renew seven technology maintenance and support service contracts with total costs greater than $100,000.00, with renewals for up to five years.

The Region's Purchasing Bylaw 2014-17 requires Council authorization to award direct purchase contracts with a total cost exceeding $100,000, and to renew or extend contracts with total terms in excess of five years.

3.   BACKGROUND

Several technology resources are used at the Region to support service delivery and strengthen organizational capacity

Information Technology (IT) Services provides staff with centrally-managed technology tools and infrastructure to support service delivery and business operations. These resources include corporate-wide and departmental applications, as well as the network equipment and functionality required to support their daily use.

Several types of application and network systems have been standardized for long-term use due to the significant investment required to acquire, implement and operate them. Standardization maximizes the return on investment and provides a stable and consistent technology environment for staff.

Maintenance and support service contracts support system reliability and business continuity

In order to maintain the availability of technology resources, service contracts are established during the initial procurement of application and network systems. The contracts include maintenance services such as upgrades, security patches, subscription fees, basic repair, and support services such as access to 24/7 help desk support and professional services to aid technical staff in resolving incidents and problems. These contracts are regularly renewed over the useful life of the product.

4.   ANALYSIS AND OPTIONS

The renewal of several service contracts have exceeded thresholds in the Purchasing Bylaw

The Region's Purchasing Bylaw permits direct purchases in specific circumstances. Section 9.1 (a) allows for a direct purchase where the paramount consideration is the compatibility of a purchase with existing service.   Section 9.1 (b) permits direct purchases where there is only one entity reasonably capable of providing the deliverables.

The Bylaw specifies thresholds that require Council approval. The thresholds are defined in the following sections of the by-law:

- Section 9.2 requires Council approval for contracts awarded under Section 9.1 (a) or 9.1 (b) with a total cost exceeding $100,000.00.
- Section 11.3 requires Council approval for contract renewals in excess of five years.

A recent review of IT contracts revealed that seven direct purchase technology service contract renewals have exceeded these thresholds. The products supported by these contracts are described in *Attachment 1*.

Table 1 provides a breakdown of these seven contracts, including the type of direct purchase under the by-law and original contract start dates.

Table 1
Summary of Service Contract Renewals in Excess of Approval Thresholds

Vendor	Supported Product	Direct Purchase Type	Start Date
Oracle	PeopleSoft ERP, Databases, and Database Lifecycle Management	9.1 (b)	1998
OpenText	eDOCS	9.1 (b)	2001
Citrix Systems	Netscaler Gateway and XenApp	9.1 (b)	2004
Hewlett-Packard (HP) Canada	HP servers	9.1 (a)	2004
Microsoft Canada	Microsoft software	9.1 (b)	2005
ComputerTalk	ice (Intelligent Communication Exchange)	9.1 (b)	2006
Kanatek Technologies	Symantec NetBackup	9.1 (b)	2007

Council approval of contract renewals is required to continue maintenance and support of key technology resources

The seven products described in this report are key resources in the Region's technology infrastructure. They are used daily by staff across all departments to support business operations and deliver Regional services. These products represent a significant investment in the form of initial purchase, expansion, integration with other systems, and technical staff and user training. Their use is expected to continue into the foreseeable future.

Renewal of the service contracts for these products will protect this investment, while providing consistent and reliable technology resources to staff.

Link to key Council-approved plans

Maintenance and support service contracts for technology products are an integral part of managing the Region's business technology needs in an efficient manner.

5.   **FINANCIAL IMPLICATIONS**

The costs for maintenance and support services over the past five years and the estimated cost to renew each of the seven service contracts are provided in Table 2.

Table 2

Vendor	2009[1] ($)	2010[1] ($)	2011[1] ($)	2012[1] ($)	2013[1] ($)	Estimated 2014[1] Renewal ($)	Total Estimated Five-Year Renewal ($)
Oracle	635,640	996,200	684,900	822,600	910,500	950,000	5,000,000
OpenText	129,613	165,674	182,241	200,465	210,489	220,000	1,300,000
Citrix Systems	99,880	103,503	106,542	120,506	110,022	115,000	600,000
HP Canada	43,721	24,396	10,176	753	12,615	30,000	150,000
Microsoft Canada	74,200	74,200	81,090	97,709	103,324	110,000	625,000
ComputerTalk	22,300	22,300	22,300	22,300	23,122	24,000	125,000
Kanatek Technologies	71,766	68,200	78,100	94,762	91,321	95,000	500,000

Historical Service Contract Costs and Estimated Five-Year Renewal Amounts

[1] Represents year in which invoice is paid. Actual annual renewal date varies by contract.

The required funding to renew each of the above contracts is included in the annual IT Services operating budget.

6. LOCAL MUNICIPAL IMPACT

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

7. CONCLUSION

Staff are seeking Council authorization for continued annual renewal of seven service contracts for hardware and software products currently in use at the Region. These products support the Region's technology requirements, and their use is expected to continue into the foreseeable future.

For more information on this report, please contact John Swan, Director, Information Technology Services, at Ext.71756

Attachment (1)

Maintenance and Support Service Contract Renewals – Product Descriptions

Service Vendor	Supported Products	Product Description
Oracle	PeopleSoft Enterprise Resource Planning (ERP) applications	PeopleSoft ERP is a system of business management applications that automate and integrate major business processes. The Region uses four PeopleSoft applications, including: • **Human Capital Management** – administers human resource functions including recruitment, benefits, corporate employee training, and management reporting. • **Payroll** – manages bi-weekly payroll processes for all current and retired employees, including York Regional Police. • **Financials** – supports general accounting and financial processes, including general ledger, allocations, purchasing, accounts receivables and payables, and financial and management reporting. • **Enterprise Performance Management (EPM)** – combines and prepares several data sources in individual data warehouses and supports their use in business intelligence dashboards and analytics.
	Oracle Databases	Databases provide specially organized collections of related data for use by applications. The Region currently uses 139 Oracle databases to support several large applications, such as: • PeopleSoft (business management), • Esri (Geographic Information System), • Maximo (water and wastewater asset management), • CityWorks (transportation maintenance management), • eDOCS (enterprise content management), • Assetworks M5 (fleet management), • Archibus (facilities management), • YARDI (housing property management) • Trapeze (transit scheduling), and • Traffic management systems.
	Oracle Database Lifecycle Management	Oracle Database Lifecycle Management is a set of tools used to monitor and administer the Oracle database and applications environment.
OpenText	eDOCS	eDOCS is an electronic content management (ECM) system used to store and organize electronic information, including documents, emails, and scanned records. The system supports staff in meeting legal requirements for records and information management and retention.

ATTACHMENT 1

Maintenance and Support Service Contract Renewals – Product Descriptions

Service Vendor	Supported Products	Product Description
Hewlett-Packard (HP) Canada	HP servers	HP servers are centralized network devices used to host applications. Servers are purchased with five year maintenance and support service contracts that cover the expected useful life of the server. Servers that are deemed to be useful beyond five years are added to an open contract with HP that provides as-needed maintenance and support services.
Microsoft Canada	Microsoft software	Several Microsoft software products are used under the Region's Microsoft Enterprise Agreement, including: • Microsoft Word • Microsoft Excel • Microsoft PowerPoint • Microsoft Access • Microsoft Project • Microsoft Visio • Microsoft Lync (video messaging and conferencing) • Microsoft Outlook and Exchange (electronic mail) • Microsoft SQL (database software) • Microsoft Windows Server • Microsoft SharePoint • Microsoft Client Access (allows a personal computer to connect to a server). Only support services are required as maintenance services are included in the Enterprise Agreement.
ComputerTalk	ice (Intelligent Communication Exchange)	Ice is a system used by EMS to manage and support over-the-phone shift scheduling for staff, including call-outs, schedule verification and shift changes. The system is also used by IT Services to test the functionality of 9-1-1 phone lines at Regional staff locations.
Kanatek Technologies	Symantec NetBackup	NetBackup data recovery system is used to back-up data so that it can be restored in the case of physical damage, system failure, corruption, or user error. The system supports the Region's records management policies for data recovery capabilities.
Citrix Systems	Netscaler Gateway XenApp	Netscaler Gateway and XenApp work together to allow staff to remotely connect to corporate applications using a wide range of computer systems and mobile devices. The system supports staff working in locations where they are unable to connect directly to the Region's network.