



Staff Report for Committee of the Whole Meeting

Date of Meeting: May 15, 2024

Report Number: SRCFS.24.14

Department: Corporate and Financial Services

Division: Information Technology

Subject: **SRCFS.24.14 – Non-Competitive Renewal of Esri Software**

Purpose:

The City of Richmond Hill Information Technology Division is seeking Council approval for a non-competitive acquisition greater than \$100,000, in accordance with Procurement By-law 113-16.

Recommendation(s):

- a) That the non-competitive renewal of the current Enterprise GIS software ArcGIS Platform, and purchase of select ad hoc subscription annual software licenses be awarded to Esri Canada until December 31, 2027, for a cost not exceeding CAD \$700,000 exclusive of taxes, pursuant to Appendix "B" Part I, Section (c) of Procurement By-law No. 113-16 in order to ensure the continued leverage of the Esri ArcGIS platform and systems already in use at the City of Richmond Hill.
- b) That the Commissioner Corporate and Financial Services (CFS) be authorized to execute any and all necessary documentation to affect the contract.

Contact Person:

Praful Mistry, Manager, GIS & Data, IT x6362

Rob Jones, Chief Information Officer x5510

Report Approval:

Submitted by: Sherry Adams, Commissioner of Corporate and Financial Services

Approved by: Darlene Joslin, City Manager

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner, and City Manager. Details of the reports approval are attached.

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Background:

The City of Richmond Hill (City) utilizes the proprietary 'Esri ArcGIS' Geographical Information System (GIS) technologies to operate the City's spatial platform & data infrastructure including databases, software (including server, desktop, mobile, and cloud), web services, and enterprise integrations.

The ArcGIS set of technologies are the corporate GIS system for representing spatial information and provide all the tools necessary for creating and managing said spatial data. This includes tools for GIS tasks such as editing, data automation, mapping, map-based tasks, data management, visualization, geographic analysis, metadata management and deploying data and applications on the internet or mobile devices. The maintenance and support for these systems is only available through Esri Canada. This annual maintenance and support provides the City with timely technical support, regular patches and/or upgrades, and access to training and educational supports.

As per Procurement By-law No. 113-16, Appendix "B", Part I - Sole Source Acquisition clause (c): - to ensure compatibility with existing products, to recognize exclusive rights such as patent, copyright or license, or to maintain specialized products that must be maintained by the manufacturer or its representative; The contract extension is recommended to be awarded as Sole Source Acquisition clause (c), because Esri is the sole proprietor of the software.

Failure to renew this annual maintenance and support will put the City at risk during a system outage and/or in the event of a security notice where a patch has been released to address such risks. Failure to renew also prevents the City from maintaining the platform at current versions and supported levels.

Aside from annual renewal of current platform license, The City of Richmond Hill Information Technology Division (IT) also seeks approval to expand the current footprint of the ArcGIS platform to include additional annual subscription licenses to accommodate growth in the platform demand over the past 4 years. This includes growth in corporate users primarily from Public Works Operations and Fire Services engaging in field data collection such as inventory or inspection, and demand from enterprise integrations or corporate software that tap into the GIS platform for supplemental information or spatial analysis. The anticipated footprint growth pattern is explained further below.

Financial/Staffing/Other Implications:

The total value of the approval is CAD \$700,000 exclusive of taxes, including software subscription license purchases and annual software maintenance fees from May 18, 2024, until December 31, 2027.

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- Accommodates an adjustment to the annual term from May 18 – May 17 to calendar year on a go forward basis in 2025. The 2024 term to be prorated accordingly (228 days of 365 or 62.5%).
- Accommodates an approximate 6% annual general increase by vendor (based on current trend).
- Accommodates footprint expansion represented in a license growth pattern for 2024 & 2025 to be capped at CAD \$98,000 and \$166,000, respectively.
- Accommodates further footprint expansion represented in a license growth pattern for 2026 & 2027 to be capped at CAD \$206,000 and \$219,000, respectively.

The table below represents the planned expenditure (Canadian Dollar) and explains the license growth/expansion pattern:

Esri ArcGIS Platform Planned Annual Expenditure & Growth Pattern

Item Description	2024 May 18 – Dec 31	2025 Jan 1 – Dec 31	2026 Jan 1 – Dec 31	2027 Jan 1 – Dec 31
Annual Support & Maintenance	\$64,000	\$166,000	\$176,000	\$219,000
License Growth	\$34,000	\$0	\$30,000	\$0
Total	\$98,000	\$166,000	\$206,000	\$219,000

Relationship to Council's Strategic Priorities:

Strengthening our Foundations – Data Driven Decision Making is a key enabler capability identified in the GIS Program and this is underpinned by the GIS Platform Technologies.

- Esri's GIS platform is an integral component in the City's GIS Program, providing the technology and practical backbone to organize, manage, and visualize data and information.
- Esri's GIS platform is leveraged as a major data sharing platform, internally for staff, and externally for public.

Focus on People – Ensuring our workforce has the tools, knowledge, and comfort to leverage information is also identified in the GIS Program and is fostered by good governance, training opportunities, and knowledge transfer through our community of practice.

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- Access to training materials, web resources, and technical support on a variety of platform aspects is available through the City's software Support & Maintenance subscription with Esri Canada

The technology platform provides knowledgeable staff a common ground by which to share and evolve through problem solving, and GIS technical proficiency.

Climate Change Considerations:

Climate Change considerations are not applicable to this staff report.

Conclusion:

The Information Technology Division recommends renewing Esri's existing annual proprietary software maintenance agreement, including accommodating a moderate growth pattern for additional subscription licenses through to 2027.

Attachments:

There are no attachments to this staff report.

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Report Approval Details

Document Title:	SRCFS.24.14 – Non-Competitive Renewal of Esri Software
Attachments:	
Final Approval Date:	May 2, 2024

This report and all of its attachments were approved and signed as outlined below:

MaryAnn Kotylak - Apr 24, 2024 - 9:32 AM

Rob Jones – May 1, 2024 - 1:05 PM

Sherry Adams – May 1, 2024 – 3:52 PM

Darlene Joslin - May 2, 2024 - 3:05 PM