

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF DECEMBER 12, 2023

Item 20, Report No. 52, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on December 12, 2023.

20. PROCUREMENT PLAN FOR CERTAIN INFORMATION TECHNOLOGY SYSTEMS

The Committee of the Whole recommends approval of the recommendations contained in the following report of the Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer, and Deputy City Manager, Legal and Administrative Services & City Solicitor, dated December 5, 2023:

Recommendations

1. That an administrative policy be established governing the procurement of IT Goods and Services, in accordance with the framework as contained in this report, to be approved by Policy Committee;
2. That Council approve the list of Standardized IT Systems listed in the confidential attachment to this report;
3. That the Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer be authorized to amend the list of Standardized IT Systems, by adding or removing IT Systems according to the criteria contained in Attachment 1 to this report;
4. That notwithstanding the Corporate Procurement Policy 15.C.03, the Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer be authorized to approve single source procurement for any licenses and/or renewals of related ancillary maintenance and support service agreements for the Standardized IT Systems directly from the Licensors of such Systems;
5. That the Director of Procurement Services, or delegate, be authorized to execute agreements in a form satisfactory to Legal Services for single source procurements provided in Recommendation 4;
6. That the Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer be authorized to enter into agreements with telecommunications providers for the provision of mobile devices, telecommunications services and internet services for City Staff and Council, in a form satisfactory to Legal Services; and
7. That all necessary bylaws be enacted.

Committee of the Whole (2) Report

DATE: Tuesday, December 5, 2023

WARD(S): ALL

TITLE: **PROCUREMENT PLAN FOR CERTAIN INFORMATION TECHNOLOGY SYSTEMS**

FROM:

Michael Coroneos, Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer

Wendy Law, Deputy City Manager, Legal and Administrative Services & City Solicitor

ACTION: DECISION

Purpose

To formalize the procurement approaches for standardized Information Technology ("IT") Systems (licenses and related ancillary maintenance and support services) and establish a policy to supplement the Corporate Procurement Policy in this regard.

Report Highlights

- Under the new Corporate Procurement Policy (15.C.03), a renewed regime of purchasing licenses and maintenance services for certain proprietary software and systems is proposed.
- Staff are recommending that an administrative policy be established for the procurement of IT-related Goods and Services in accordance with the framework as contained in this report.
- Staff recommend that certain IT Systems be formalized as City Standards and that single source awards be permitted for services agreements and licenses, and related ancillary maintenance/support for such Standards.
- Staff are also seeking delegated authority to enter into agreements with internet service providers and telecommunications providers for the provision of mobile devices, internet services and telecommunications services for Staff and Council.

Recommendations

1. That an administrative policy be established governing the procurement of IT Goods and Services, in accordance with the framework as contained in this report, to be approved by Policy Committee;
2. That Council approve the list of Standardized IT Systems listed in the confidential attachment to this report;
3. That the Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer be authorized to amend the list of Standardized IT Systems, by adding or removing IT Systems according to the criteria contained in Attachment 1 to this report;
4. That notwithstanding the Corporate Procurement Policy 15.C.03, the Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer be authorized to approve single source procurement for any licenses and/or renewals of related ancillary maintenance and support service agreements for the Standardized IT Systems directly from the Licensors of such Systems;
5. That the Director of Procurement Services, or delegate, be authorized to execute agreements in a form satisfactory to Legal Services for single source procurements provided in Recommendation 4;
6. That the Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer be authorized to enter into agreements with telecommunications providers for the provision of mobile devices, telecommunications services and internet services for City Staff and Council, in a form satisfactory to Legal Services; and
7. That all necessary bylaws be enacted.

Background

The Office of the Chief Information Officer (“OCIO”) has continued to provide best in class service to the City. As we strive for continued improvement, and as the City grows, there is a need to formalize modernized practices specific to IT Procurement, to ensure continuity of business operations while obtaining value for money for the City. The standardization of certain IT Systems (licenses and related ancillary maintenance and support services) aligns with benchmarking conducted with neighboring municipalities, including the City of Toronto and the City of Mississauga. Adoption of this would demonstrate that the City of Vaughan continues to be a municipal industry leader in the IT sector.

For the purposes of the subject matter in this Report, IT Systems are defined as information technology software, applications, databases and electronic systems (including database management systems) and include ancillary maintenance/support services of those systems or firmware, where provided by the Licensor.

Analysis and Options

The Benefits of Standardization

Over the years, OCIO has implemented IT standards as best practice as a result of their various benefits:

- Enhancing quality and reliability by ensuring that IT systems and applications meet certain performance, security, and compliance standards.
- Reducing costs and risks by minimizing the need for customization, maintenance, and troubleshooting of IT systems and applications.
- Security is optimal with standardization with consistent security protocols in place to monitor and protect against threats and vulnerabilities.
- Improving efficiency and productivity by reducing complexity, duplication, and inconsistency in IT processes and systems.
- Facilitating innovation and collaboration by enabling interoperability, integration, and compatibility among different IT systems and platforms.

For the purposes of protecting the City's computing environment, it is not advisable to publish the list of Standardized IT Systems. As a result, they are provided in Schedule 'A' to the confidential attachment to this report. OCIO is recommending that the list of IT Systems provided in the confidential attachment to this report be adopted as a subset of OCIO's standards.

IT-Specific Procurement Policy

The procurement of IT Goods and Services will continue to be governed by the City's Corporate Procurement Policy. However, an administrative policy is recommended to address the uniqueness of IT procurements that result from the fast-paced nature of technology, the need for specialized expertise, customization and integration requirements, data security concerns, lifecycle management and cost management.

Staff propose an administrative policy related to the procurement of IT Goods and Services that would include:

- The criteria for standardization of IT Systems as outlined in Attachment 1 to this report;
- For Standardized IT Systems,
 - An authority and administration regime for the Single Source procurement of licenses where there is budget approved by Council.

- An authority and administration regime for the Single Source procurement of warranties and related ancillary maintenance and support services with the Licensor (not resellers) where there is budget approved by Council.
- Emphasis on initiating competitive procurements or leveraging Collaborative Procurement opportunities, where possible.

Single Source Authority for Procurement of Standardized IT Systems

The City's Corporate Procurement Policy permits Single Source Procurements where "there is a need for standardization or compatibility with Goods and/or Services previously acquired or the required Goods and/or Services being supplied under an existing contract". Single Source Procurements may also be warranted where the Supplier has special knowledge, skills, and expertise. With the Standardization of the IT Systems provided, Staff are recommending that Council authorize the Deputy City Manager, Corporate Services – City Treasurer and CFO be delegated the authority to approve awards notwithstanding the Corporate Procurement Policy.

The procurement of IT Goods and Services not related to the Standardized IT Systems would continue in the normal course under the City's Corporate Procurement Policy (15.C.03).

Telecommunications Purchases

The City is in contract with a primary Telecommunication Services Provider ("TSP") for the provision of mobile devices, as well as the provision of wireline-based (landline), wireless-based (mobility services), direct inward dial numbers, internet services, wide area network services and Public Services Telephone Network connections for Staff and Council. This contract was renewed last year and will expire in 2027. The City was also in contract with a secondary TSP for redundant services which has expired and is being extended on a month-to-month basis.

The City's Corporate Procurement Policy exempts telecommunications from its application. As a result, Staff are recommending delegated authority to enter into these agreements to facilitate continued business operations. Proposed protections contained in the amending by-law include that:

- the amount must be within the approved budget; any financial commitments in excess of \$50,000.00 must be approved by the DCM, Corporate Services, City Treasurer and CFO; and
- the form of agreement is to be approved by Legal Services.

Options

Should Council not approve the procurement plan, as outlined above, Staff are seeking authority to proceed via Single Source procurement for the suppliers and contracts provided in Schedule 'B' to the confidential attachment, all of which have renewal dates between the date of this report and June 30, 2024, to ensure continuation of business functions.

Given the need for standardization and compatibility with previously acquired services, and the special knowledge, skills and expertise required, it is the Director of Procurement Services' determination that this justifies the use of Single Source Procurement in these cases. Given the anticipated amount of each award, Council must first approve proceeding via Single Source Procurement.

Financial Impact

The required costs for City Standardized IT Systems are included in the yearly approved Budget (Operating and Capital), and any future increases are subject to budget approvals.

Broader Regional Impacts/Considerations

There are no direct broader regional impacts/considerations as a result of this report.

Conclusion

This report recommends a Procurement Plan for Certain IT Systems including an administrative policy governing the procurement of IT Goods and Services in the spirit of the criteria contained in this report, Single Source Procurement authority for any renewals of licenses and agreements for related ancillary maintenance/support of Standardized IT Systems. Further, the report recommends that Council authorize the Deputy City Manager, Corporate Services City Treasurer and CFO to amend the list of Standardized IT Systems in accordance with the criteria provided in Attachment 1 of the report.

Staff are also seeking authority to amend the City's Delegated Authority By-law to provide for the entering into of agreements with telecommunications providers for the provision of mobile devices, telecommunications services and internet services for City Staff and Council.

For more information, please contact Anita Pathmanathan, Procurement Manager, Contracts Administration, Policy and Program, ext. 8388.

Attachments

1. Mandatory Criteria for Standardization
2. Confidential Attachment

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Approved by



Michael Coroneos, Deputy City
Manager, Corporate Services, City
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Wendy Law, Deputy City
Manager, Legal and
Administrative Services & City
Solicitor

Reviewed by



Nick Spensieri, City Manager

Attachment 1– Criteria for Standardization of IT Systems

Systems that meet all of the following criteria may be considered as City Standards:

Criteria A	Satisfies a long-term City-wide need or requirement and stays in use within the City for a minimum of three (3) years	The IT Systems have been used by the City for a minimum of three (3) years. Staff are trained and familiar with the IT Systems; and OCIO is well-versed in supporting Staff on these IT Systems.
Criteria B	Compatibility and Integration	The IT Systems are compatible with the current IT infrastructure, preventing integration issues and scenarios where rebuilds of the infrastructure to accommodate a new system are necessary. This ensures business continuity and prevents down time.
Criteria C	Meets IT Security Standards	Risk is introduced with each new IT System that is added into the City's computing environment. These IT Systems have been vetted by the City's IT Infrastructure and Security team and have been determined to meet or exceed the City's relevant IT security standards.
Criteria D	Interoperability	The IT Systems are compatible and capable of integrating with third party components.
Criteria E	Scalability	The IT Systems are able to be scaled up to meet the City's growth and evolving needs.