

COUNCIL AUTHORITY FOR CONTRACT AWARDS CONTRACT INCREASE

Project Award	Contract Increase for Point of Sale Solution (excluding concessions)
Recommendation	Staff are recommending the approval to proceed with a new five (5) year contract increase for Xplor Recreation in the amount of \$336,700 (exclusive of HST).
Purpose of Report	As per Section 10.1 of Purchasing By-law No. 061-2018, Council approval is required.
Background information	<p>Xplor Recreation (formally PerfectMind) is the current software provider for the Town's Recreation Management solution that went live within the organization in August 2020. Awarded through competitive RFP and an initial five (5) year term (January 2017 through January 2022) via CORS-53-16, this agreement was subsequently extended through a full ten year term to January 2027 via CORS-015-20 and a total contract value of \$666,417. Xplor Recreation is a web-based solution that provides a full suite of software modules that allows the Town to offer and run a wide variety of recreation-related services. As part of the solution, this product employs a point-of-sale software module that is used by the Town to process recreation-related transactions within the organization (memberships, camps, drop-in classes, etc.).</p> <p>The Town of Milton also utilizes a secondary point-of-sale solution (Payment Manager by Active Network) at various customer service counters across facilities to process non-recreation transactions such as property tax billing, licensing and permitting and other miscellaneous sale items. This solution is an on-premise product installed on systems within the Town's primary datacenter and relies on the Information Technology team to provide day-to-day software support. Operating a point-of-sale product as an on-premise product (opposed to a vendor-maintained cloud product) places additional security constraints and compliance considerations on the organization to ensure end-to-end protection of all financial transactions. The Town is required to adhere to Payment Card Industry Data Security Standards (PCIDSS) requirements in order to safeguard and protect cardholder data. Unique and independent processes and software integrations exist for exporting data from each of the two current point-of-sale solutions into the Town's financial management system.</p> <p>A one-time capital expenditure of \$131,340 (exclusive of HST) is being requested to allow staff to move all non-recreation financial transactions (save and except Concessions purchases) into the Xplor product and consolidate the organization to a single point-of-sale system. Moving all transactions into a single point-of-sale</p>

	<p>system will result in a reduction in the number of hours spent by staff supporting a second point-of-sale solution, will simplify existing system configurations and constraints currently in place to adhere to and maintain ongoing PCIDSS compliance and streamline transaction integration and reporting within the Town's financial management solution. This aforementioned expenditure will cover the cost of the one-time development required to build the necessary integrations from this point-of-sale solution into other Town applications as well as cover the first year subscription fee related to ongoing maintenance and support of these integrations. Following year 1 costs, the use of Xplor point-of-sale will result in an annual operating impact of \$51,340 per year. This annual cost will be partially reduced by eliminating the annual fee associated with the Town's outgoing point-of-sale solution (currently \$9000 per year). Staff are recommending a 5 year term commitment for this point-of-sale software product, which will exist simultaneously alongside the existing Xplor Recreation contract. The Town may opt to negotiate a new multiyear contact with the vendor following expiry of this new contract or go out to competitive bid for a new point-of-sale software solution, with the former option being the more likely outcome.</p> <p>The new 5 year contract for Xplor point-of sale will total \$336,700 (exclusive of HST) and will be paid in addition to the existing 10 year contract total contract value for Xplor Recreation (CORS-015-20).</p>
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Financial Planning Section: Budget Impact (Note 1)

Account Number(s)	C24110423-A0260-7172
Account Description	Financial Enterprise Systems
Project Total Budget	\$ 220,829
Contract Budget	\$ 127,352
Actual (Net of HST Rebate)	\$ 133,652
Variance	\$ 6,300 (U)
Funding Source	Capital

Note 1: Financial impact includes any non-refundable portion of HST.

Note 2: This contract commits the Town to a five year annual subscription expense of \$51,340. Year 1 will be capitalized as indicated above with the remaining four years being booked to the operating budget beginning in 2025.