

COUNCIL AUTHORITY FOR CONTRACT AWARDS CONTRACT INCREASE

Project Award	Contract Increase for GIS Services
Recommendation	Staff are recommending approval to proceed with a new three (3) year contract increase for ESRI Inc. in the amount of \$323,400 (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>The Town of Milton relies on specialized Geographic Information Systems (GIS) to provide a wide range of geospatial and mapping services both within the organization and to the community as a whole. GIS software tools, provided by Environmental Systems Research Institute (ESRI) are the leading industry standard in the GIS sector worldwide and these same software tools provided by ESRI have become embedded into daily operational processes, software systems and core datasets within the organization. The Town's road network (including road allowances, easements and right-of-way details), land parcel and addressing data (including property, neighbourhood, ward and municipal boundaries), facilities, parks, and key development information on ongoing development areas reside in databases running within ESRI's software environment at the Town. The data provided by the Town's GIS plays a key role in everything from current and future development planning to emergency response and road patrol operations. ESRI's software products also run the Town's Discover Milton Geohub along with a wide range of specialized community mapping applications purpose-built for sharing information within the community. Over the past few years, the organization has seen tremendous growth in the Town's reliance on GIS processes and software tools used for maintaining existing service levels and completing routine operational tasks, as well as an increase in the skillsets and willingness of staff to continue doing more within GIS to further streamline and enhance service to the community. In order to embrace and facilitate this continued growth, the organization must continue to invest in and expand access to a wider number of GIS software products in use at the Town as well as the number of ongoing user licenses that allow staff to interact with these tools.</p> <p>Through 2024, it is expected that the Town will need to make a substantial investment in additional GIS software tools and licenses to accommodate existing workplans and planned initiatives. At a high level, the Town expects to replace its existing internal GIS mapping tool, introduce new road patrol software in the Operations division as well as enhance the current automated vehicle location</p>

	<p>(AVL) reporting capabilities through the expansion of GIS software products and licenses currently supplied by ESRI.</p> <p>ESRI offers a Small Local Government Enterprise Agreement (SLGEA) that is purpose built for small-to-medium sized local governments to help them continue to leverage ESRI software products in a fiscally-conscious manner. The SLGEA provides unlimited access to core ESRI software (required by staff working with and manipulating geospatial data within the organization) and expanded user licensing that can immediately be used across the organization based on current and planned GIS initiatives. This SLGEA is priced according to population tier, of which Milton currently falls within the 100,000 to 150,000 tier. The SLGEA provides vastly expanded licenses and access to ESRI products at a single annual cost as opposed to the Town's status quo method of ad-hoc software and license acquisition with an immediate capital outlay and direct corresponding increase to annual operating costs. Through ESRI's SLGEA, the Town will be able to meet the consistently increasing demand for access to GIS tools across all departments, create a modernized and improved internal mapping portal for staff and ultimately enhance the level of service provided to our community by expanding on and leveraging GIS capabilities organization wide.</p> <p>At present, the Town allocates \$92,485 annually for GIS Software licensing and annual maintenance. Based on current workplans and planned initiatives for 2024, the Town expects to add approximately \$50,000 of annual licensing and software costs to this total. Therefore, the Town can expect to pay \$142,485 (+ HST) for GIS software licensing in 2024 and beyond if it continues with its status quo ad-hoc software licensing model. By comparison, the organization's Year 1 SLGEA cost for 2024 would be \$104,630. The SLGEA includes all the licensing the Town requires for planned initiatives in 2024 within its base subscription cost/offering. The Town can expect a minimum savings of \$37,855 in 2024 should it proceed with its planned software licenses acquisitions as detailed in current workplans.</p> <p>Year 2 and Year 3 of the agreement would cost \$107,770 and \$111,000 respectively, for a total 3 year contract obligation of \$323,400.</p> <p>No additional funding is being requested at this time. The Town expects a partial credit back for 2023 software licensing that was paid inclusive to January 31, 2024. In addition to this, previously approved capital funds exist for expanded ESRI licensing that will be used to cover the SLGEA licensing cost for Year 1. Year 2 and</p>
--	--

CORS-045-23 Schedule E

		Year 3 increases will be requested as part of the 2024 and 2025 budget process.
Financial Planning Section: Budget Impact (Note 1-3)		
Account Number(s)	2216-3445	C24001121-A0260-7140
Account Description	Software Annual Maintenance	GIS Service Delivery
Project Total Budget	N/A	\$ 159,829
Contract Budget	\$ 16,882	\$ 5,078
Actual (Net of HST Rebate)	\$ 15,240	\$ 5,078
Variance	\$ 1,642 (F)	\$ 0
Funding Source	Operating	Capital

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

Note 2: Any resulting financial impact as a result of the contract renewal will be reflected in the operating variance process in 2023.

Note 3: This contract commits the Town to a three-year annual subscription expense of \$323,400. The first 3 months of Year 1 (October – December) will be paid through operating and a small portion through capital as indicated above with the remainder of Year 1 and subsequent Year 2 and 3 being booked to the operating budget.