

City of Mississauga  
**Additional Agenda**



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## General Committee

**Date**

June 15, 2016

**Time**

IMMEDIATELY FOLLOWING COUNCIL

**Location**

Council Chamber  
2<sup>nd</sup> Floor  
300 City Centre Drive

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ADDITIONAL DEPUTATION

5.4 Item 6.3 Frank Stendardo, President, Huron Park Italo-Canadian Seniors Club

MATTERS TO BE CONSIDERED

6.20 Single Source Recommendations for Intergraph Canada FA.49.665-15 and Bentley Systems FA.49.666-15, Contract Renewals

Contact

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City of Mississauga  
**Corporate Report**



Date: 2016/05/25

To: Chair and Members of General Committee

From: Gary Kent, Commissioner of Corporate Services and  
 Chief Financial Officer

Originator's files:

Meeting date:  
 2016/06/15

## Subject

**Single Source Recommendations for Intergraph Canada Ltd. FA.49.665-15 and Bentley Systems Incorporated FA.49.666-15, Contract Renewals**

## Recommendation

1. That the report from the Commissioner of Corporate Services and Chief Financial Officer dated May 25, 2016 entitled Single Source Recommendations for Intergraph Canada Ltd. FA.49.665-15 and Bentley Systems Incorporated FA.49.666-15, Contract Renewals be received.
2. That the Purchasing Agent be authorized to execute the contract and all related ancillary documents with Intergraph Canada Ltd. (Intergraph) for the supply of software maintenance and support at an estimated cost of \$228,000, exclusive of taxes for the period of January 1, 2016 to December 31, 2020, a three year contract term, with two optional one year extensions.
3. That the Purchasing Agent be authorized to execute the contract and all related ancillary documents with Bentley Systems Incorporated (Bentley) for Enterprise License Subscription (ELS), ongoing maintenance and support at an estimated amount of \$733,600, exclusive of taxes for the period of September 1, 2016 to August 31, 2018, a two year contract term.
4. That the Purchasing Agent be authorized to increase the value of both contracts where necessary to accommodate the City's growth by adding licenses with maintenance and support where funding is approved in the budget; and issue contracts amendments to add new features, functionalities and modules to accommodate the City's growth requirements such as better alignment, modernization and mobility where the amounts are approved in the budget.

5. That Intergraph and Bentley continue to be designated as “City Standard” until replacement systems have been acquired and implemented.

## Report Highlights

- Since the early 1990's, City staff have used products supplied by Intergraph and Bentley to maintain the City's digital mapping fabric and geospatial data that are used for analysis of property, zoning, park and road maintenance.
- Intergraph and Bentley are included in the list of City Standard IT Systems. Intergraph and Bentley maintenance and support have been kept current to meet the objectives of the business. There is an opportunity to renew and put in place contracts to sustain business operations and negotiate fixed cost increases for future cost avoidance.
- These term contracts for IT system maintenance and support need Council approval per purchasing By-law 374-06 Schedule B for High Value Non-competitive purchase(s) over \$100,000.

## Background

Since the early 1990's, City staff have used products supplied by Intergraph and Bentley to maintain the City's digital mapping fabric and geospatial data that are used for analysis of property, zoning, park and road maintenance. The Notification Mailing List application which notifies residents of applications, projects, initiatives and events occurring in their neighbourhoods uses the City's digital mapping fabric and geospatial data.

On an annual basis, aerial photography of all properties in the City of Mississauga is captured. City staff uses Intergraph products and the aerial photography to maintain the City's digital mapping fabric that provides core data for pavement management and road usage. The aerial photography is also viewed on iMaps and Mississauga Maps by staff and the public.

City staff uses Bentley products for analysis and to create the digital mapping layers (property boundaries, roads, park outlines, ward maps, sidewalks and buildings) that are used by many City programs and applications such as coordinating road work with utilities and the Region of Peel and visualize the impact of the road rehabilitation capital plan on the City's road network, Planning and Building programs, Engineering and Capital Works programs, Facility Maintenance Engineering document storage, online Mississauga Maps/iMaps, the Storm Water Charge estimating tool, ePlanning and Building services and the mobile Forestry application for tree planting.

Intergraph and Bentley are included in the list of City Standard IT Systems and maintenance and support have been kept current to meet the objectives of the business. There is an opportunity to renew and put in place contracts to sustain business operations and negotiate fixed cost increases for future cost avoidance.

## Comments

The City is currently undertaking a detailed GeoSpatial Master Plan which will deliver a framework for the best use of geospatial information and related technologies starting in 2017. While this plan may potentially include a change in technology, the business will need to continue to support the current processes and use Intergraph and Bentley products until these products need to be replaced. Should the GeoSpatial Master Plan recommendation identify a change in technologies staff has estimated two years to potentially replace the Bentley products and three to five years to potentially replace the Intergraph products.

Previously, maintenance and support were paid to Intergraph on a yearly basis with annual cost increases fluctuating from 3% to 12%. Through the efforts of Materiel Management and Information Technology, the negotiated annual cost increase is capped at 2% for the next five years, resulting in a cost avoidance of up to \$4,381 in annual operating budget.

The previous five year Bentley contract allowed the City to use all of the products in the Enterprise License Subscription without any increase to maintenance costs during the five year term. As a result, the City has realized an estimated cost avoidance of \$500,000 over the past five years. With the renewal of the contract, the maintenance and support cost must now include all products used by the City and has resulted in an annual cost increase of \$296,000. Through successful negotiations and a review of product usage, the annual cost increase was reduced to \$100,000 resulting in an annual cost avoidance of up to \$196,000 in operating budget starting in 2016.

### Purchasing By-law Authorization

The recommendation in this report is made in accordance with Schedule A of the Purchasing By-law #374-06, items 1(b)(xi) which states that a single source procurement method may be applied when, “a need exists for compatibility with, or for the maintenance and support of a City Standard and there are no reasonable alternatives, substitutes, or accommodations”; and (a) (iii), wherein it states that “the Goods and/or Services are only available from one supplier by reason of; the existence of exclusive rights such as patent, copyright or license”.

Information Technology, Legal Services and Materiel Management staff are collaborating to establish the detailed requirements, negotiate the final arrangements and prepare the requisite forms including the contract agreements.

## Financial Impact

The City’s expenditure for the 2016 to 2020 Intergraph maintenance and support requirements is \$230,000 before taxes. The commitment and payment for each year will be subject to funding being approved in the applicable Operating Budget for software maintenance.

The City’s expenditure for the 2016 to 2018 Bentley Subscription for maintenance and support requirements is \$733,600 before taxes. Following negotiations and by committing to purchase the service for a two year annual term the price was reduced by approximately \$196,000 per

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year. This operational financial pressure is the result of the City's shift to newer more functional products within the Bentley library with a higher license cost.

## Conclusion

An offer representing good value has been received from Intergraph Canada Ltd. for maintenance and support for a five year term. This report recommends the award to Intergraph Canada Ltd. on a single source basis.

An offer representing good value has been received from Bentley Systems Incorporated for maintenance and support for a two year term. This report recommends the award to Bentley Systems Incorporated on a single source basis.

## Attachments

Appendix 1: Summary Statement of Work



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Gary Kent, Commissioner of Corporate Services and Chief Financial Officer

Prepared by: Simon Langham, GIS Project Leader, Information Technology Division

## Appendix 1

### Summary Statement of Work

The following represents the key deliverables from each of the two vendors.

1	Intergraph Canada Ltd. – Ongoing maintenance and support		
	a. Intergraph Maintenance and Support – 2016/01/01 – 2016/12/31	\$	43,807.00
	b. Intergraph Maintenance and Support – 2017/01/01 – 2017/12/31	\$	44,684.00
	c. Intergraph Maintenance and Support – 2018/01/01 – 2018/12/31	\$	<u>45,577.00</u>
		Total:	<u>\$ 134,068.00</u>
	Optional		
	d. Intergraph Maintenance and Support – 2019/01/01 – 2019/12/31	\$	46,489.00
	e. Intergraph Maintenance and Support – 2020/01/01 – 2020/12/31	\$	<u>47,443.00</u>
		Total:	<u>\$ 93,932.00</u>

Annual increase is capped at 2%

2	Bentley Systems Inc. – Enterprise License Subscription for ongoing maintenance, support and training.		
	a. Bentley Enterprise License Subscription – 2016/09/01 – 2017/08/31	\$	354,363.00
	b. Bentley Enterprise License Subscription – 2017/09/01 – 2018/08/31	\$	<u>379,237.00</u>
		Total:	<u>\$ 733,600.00</u>