Agenda – Council – April 27, 2016

Report – Executive Policy Committee – April 20, 2016

Item No. 6 Single Source Negotiation and Award of Contract for the Supply of Software Update License and Support Agreements for the City's PeopleSoft System

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On April 20, 2016, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That single source negotiation and award of contract with Oracle Canada ULC be approved in the amount of $1,168,902.65 plus GST and MRST for the supply of one-year Software Update License & Support agreements for the City's PeopleSoft System, for the period June 19, 2016 to June 18, 2017 as per Oracle Canada ULC's quotations dated January 27, 2016.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Executive Policy Committee – April 20, 2016

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On April 20, 2016, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

ADMINISTRATIVE REPORT

Title: Single Source Negotiation and Award of Contract for the Supply of Software Update License and Support Agreements for the City's PeopleSoft System

Critical Path: Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
K. Gilchrist	L. Burch	G. Chartier A/CFO	D. McNeil

RECOMMENDATIONS

1. That Council approve single source negotiation and award of contract with Oracle Canada ULC in the amount of $1,168,902.65 plus GST and MRST for the supply of one-year Software Update License & Support agreements for the City's PeopleSoft System, for the period June 19, 2016 to June 18, 2017 as per Oracle Canada ULC's quotations dated January 27, 2016.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

As the total conditional amount to be paid by the City pursuant to the contract is for a purchase that obligates the City to expenditures on future budgets, Council must approve the award of contract pursuant to B 8.2.3 of the Materials Management Policy.

In accordance with the Materials Management Policy B4.1(f) and the Agreement on Internal Trade (AIT) Appendix D (a), a single source/sole supplier procurement can be made to ensure compatibility with existing products, to recognize exclusive rights that must be maintained by the manufacturer or its representative.

IMPLICATIONS OF THE RECOMMENDATIONS

The PeopleSoft suite of software applications is used by all City departments to fulfill necessary Finance and Human Resource administration functions. Maintaining the agreements of the PeopleSoft systems will ensure the City of Winnipeg is operating supported and licensed software for this administration.

HISTORY

In 2002, under the auspices of the Connexus Project, the City purchased multiple PeopleSoft application modules to perform a wide variety of administrative functions, including Financial, Purchasing, Inventory, Budgeting, Human Resources, and Payroll. In 2004, PeopleSoft was acquired by Oracle Corporation. The City relies on Oracle Canada ULC to provide certified support for problem and issue resolution, plus the provision of version upgrade software to protect the City's investment and enhance the functionality of the City's installed applications. The software license and services agreement defines the support services to be provided by Oracle Canada ULC to the City.

From June 19, 2002 to June 18, 2016, the City has maintained continuous support for the PeopleSoft suite of applications through first a 5-year, then a 3-year, and finally five 1-year contracts. This agreement will extend that support for one year.

The single source award is recommended to purchase service provided under the agreement, which is essential for the viability and continued operation of the PeopleSoft suite of applications. Oracle Canada ULC is the only supplier certified to provide this service and the associated support.

This procurement is subject to the Agreement on Internal Trade (AIT) which permits Sole Supplier Procurement in the following circumstances: "to ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licenses, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative."

The Corporate Support Services Department has reviewed the quotes and is satisfied that, based on the experience of 14 years of support, Oracle Canada ULC has the capacity and experience to successfully fulfill the software license and services requirements of the quotation. This IT expenditure has been approved by the Director of Corporate Support Services.

Cost Benefit Analysis

Currently there are no practical alternatives to renewing our licenses and support of PeopleSoft We are obligated to renew this service in order to maintain support of our significant investment.

As support is required for regulatory updates (such as tax updates), allowing support payments to lapse is not an option. This would carry significant risk. Without support, we would not be able to guarantee many critical services such as purchasing, paying our vendors and paying our workforce.

FINANCIAL IMPACT

Financial Impact Statement **Date:** March 24, 2016

Project Name: **First Year of Program** **2016**

Single Source Negotiation and Award of Contract for the Supply of Software Update License and Support Agreements for the City's PeopleSoft System

	2016	2017	2018	2019	2020
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other -	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 1,262,415	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 1,262,415	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	1,262,415	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1.The denoted costs above represent $1,168,902.65 plus $93,512.21 PST for a total of $1,262,414.86. The contract period is from June 19, 2016 to June 18, 2017.

2. Funding will be available through the 2016 Corporate Support Services approved operating budget (account 001-531060-343302-107).

Original signed by R. Hodges

Ramona Hodges
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

In preparing this report there was consultation with:

Legal Services (as to Legal issues)
Corporate Finance, Materials Management Division

OURWINNIPEG POLICY ALIGNMENT

01-3 Prosperity
Direction 1: Provide Efficient and Focused Civic Administration and Governance
> Demonstrate accountability through service performance measurement and reporting.
>Support a competent, productive and healthy workforce through strategic human resource planning that promotes flexible human resource systems, invests in human resource development and is based on values of equity, diversity, innovation and accountability.
> Make investements in technology strategically, based on sound business decisisons and promoting integration and data-sharing where appropriate.

SUBMITTED BY

Department:	Corporate Support Services
Division:	Data and Application Services
Prepared by:	K. Gilchrist
Date:	March 29, 2016
File No.	