City of Winnipeg
IS Expenditure Approval Process – Short Form

Name of System:	ACTIVE Net Software		
Department Requested:	Community Services		
Submitted By:	Cheryl Caron	**Submission Date:**	August 8, 2018

What is the nature of the expenditure?			
Sustainment of an existing system > $25,000	X	*Expansion of an existing system*	
Continuation of an existing project		*Net new initiative*	

Describe the system being added, expanded or sustained. What does it do, which business services does it support?

In December 2015, the Community Services Department contracted with ACTIVE Network (Active) for its recreation, registration and point of sale software (i.e. Leisure Guide registration software). Active became responsible for collecting, on behalf of the City, all credit and debit card payments processed through this hosted software.

This is a contract renewal for ACTIVE Net Software and the maintenance and support of the software for a 3 year period from November 2, 2018 to November 2, 2021.

Components being added, expanded or sustained

- *Repeat for each item (hardware, software, services)*
- *Copy, paste and edit for additional items*
-

Quantity:	This is a cloud offering and the projected average annual payments collected by Active from November 2, 2018 to November 2, 2021 will approximate $43.9 million or $14,638,000/year. These payments collected by Active are remitted to the City, net of the hosted software service fees ("Service Charges"), which were set out in a schedule to the original contract. 38 – debit pin pads
Initial Cost:	The service fees for the three year contract term are $1,476,750, including debit pin pad rentals.

Sustainment Cost:	The sustainment costs for the software are included in the above noted service charges. Software licensing costs from November 2, 2018 to November 2, 2021 are approximately $1,426,486, plus all applicable taxes. The cost for annual maintenance and support for the IPP320 pin pads will continue to be in this price range, factoring in fluctuations in the US dollar and regular annual price increases by the vendor. Pin pad costs: 25 x $483.00 = $12,075 Annually ($36,225 over the contract term) 13 x 359.99 = $4,679.87 Annually ($14,039 over the contract term) Sustainment costs (software) are variable and dependent on payments collected by Active Net. The projection is $1,426,486 over the contract term.

Describe what alternatives have been looked at. If applicable describe what cloud offerings have been considered:

As Active had intimate knowledge of the City's environment from the existing business relationship, the Community Services Department recommended that the Chief Financial Officer approve the single-source negotiation and award for the supply and implementation of the latest version of the Class Recreation Application Software (ACTIVE Net) to ACTIVE Network.

Funding account distribution(s) for acquisition and sustainment:

Debit pinpad annual charges:

29 pinpads - 001-573090-625101-999
7 pin pads - 001-573090-625502-999
2 pin pads - 001-573090-181501-252
Sustainment (software) 001-531060-625101/625502/181501

Has any contingency funding been included in the acquisition cost?

There is sufficient funding in the account to address any contingency costs.

Winnipeg

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What value does the existing system bring the department?
This fully-hosted, web-based Software-as-a-Service (SaaS) solution assists in the management of recreation, parks and aquatic programs and facility rentals, facility admissions and serves as the customer database information system. ACTIVE Net supports an unlimited number of workstations, and concurrent users within the application. It also supports an unlimited number of internet sessions for our online customers. On an annual basis the existing Class application processed over $14.0 Million in revenue and is also a prime decision-making tool for resource allocation and public service decisions. It is the expectation that the ACTIVE Net application will continue to process the equivalent in revenue.
Can adding, expansion or sustainment be postponed without additional cost or risk?
No, this system is in high demand and must continue to ensure they operate in an efficient and effective manner.

Original Approved By:	C. Fernandes; S. Bidinosti	**Approval Date:**	August 17, 2018