

TORONTO STAFF REPORT

April 6, 2006

To: Administration Committee

From: Chief Corporate Officer

Subject: Software Licence Usage and Extension of Client Level Agreement – Oracle Corporation Canada Inc.

Purpose:

This semi-annual report of the Executive Director of Information and Technology indicates the number of Oracle database licences acquired by City Divisions and their associated acquisition costs. As well, this report seeks approval to extend the Client Level Agreement and Blanket Contract No. 47011278 with Oracle Corporation Canada Inc. for the provision of the Oracle8 product and its subsequent releases.

Financial Implications and Impact Statement:

For the period November 1, 2005 to March 31, 2006, 1,101 named user licences and 27 CPU based licences have been acquired from Oracle Corporation Canada Inc. at a cost of \$705,095.48, exclusive of taxes. This includes the cost of the licences of \$562,545.61, and annual maintenance cost of \$142,549.87. It is expected that approximately \$1,955,000.00 (\$1,836,000.00 net of GST), of net new Oracle licences will be acquired between now and March 30, 2007. This will include an estimated 1,000 licences for approved capital programs such as the Council Meeting Management Initiative, 3-1-1, and Document Management. The estimated net cost to the City from the extension of the Client Level Agreement will include the cost of the licences of \$1,432,080.00, and annual maintenance cost of \$403,920.00, net of GST for a total amount not exceeding \$1,836,000.00. The ongoing funding for additional licences required by City Divisions is included in their respective operating or capital budgets.

The Deputy City Manager and Chief Financial Officer has reviewed this report and concurs with the financial implications.

Recommendations:

It is recommended that:

- 1) the appropriate City officials be authorized to extend the Client Level Agreement and Blanket Contract No. 47011278 with Oracle Corporation Canada Inc., to the Oracle Data Base Management System (DBMS) Standard - Vendor of Record Master Agreement to acquire licences under the approved Corporate Technology Acquisition process, for the period ending March 30, 2007 in an amount not to exceed \$1,955,000.00 including all applicable charges and taxes; and
- 2) the appropriate City officials be directed to take the necessary action to give effect thereto.

Background:

At its meeting of December 10, 2004, the Administration Committee adopted Report 1, Clause 1 titled "Software Maintenance-Renewal for a Three (3) Year Term – Oracle Corporation Canada Inc." and recommended the following:

"In any report requesting to purchase or acquire additional Oracle licences that both the cost of the licence and the annual cost of the maintenance be outlined in the financial impact section of the report; and

The Executive Director, Information & Technology, be requested to report semi-annually to the Administration Committee on the additional number of Oracle Licences that have been acquired in the previous six months, their costs and associated maintenance costs."

The amended report was adopted by City Council at its meeting of February 1, 2 and 3, 2005.

At its meeting of December 5, 6 and 7, 2005, Council adopted Report 9 Clause 7, entitled "Software Licence Usage – Oracle Corporation Canada Inc." without amendment, recommending the following:

"The appropriate City officials be authorized to enter into a Client Level Agreement with Oracle Corporation Canada Inc., to the Oracle Data Base Management System (DBMS) Standard - Vendor of Record Master Agreement to acquire licences under the approved Corporate Technology Acquisition process, for the period ending March 30, 2006."

Comments:

The Province of Ontario's Ministry of Government Services extended the Oracle Data Base Management System (DBMS) Standard - Vendor of Record Master Agreement for an additional year ending March 30, 2007. The terms of the Agreement have been extended to every municipality in Ontario as defined in the Municipal Affairs Act, in the form of a Client Level Agreement. The City will benefit from this agreement by receiving a substantial cost savings through a set discount rate in the Master Agreement. Some corporate standard products will receive up to an 80% discount off of list price.

The budgeting and acquisition of information and technology assets whether it is hardware or software is still based on a particular Division's business needs. Information & Technology Division staff have taken the lead in identifying the best type of licence to acquire, tracking the number of licences used, and monitoring the usage (see Appendix A).

Conclusions:

Staff continues to recognize the importance and need to effectively manage information and technology assets and associated contracts. The purchase of Oracle software is coordinated and monitored by the Information & Technology Division through the use of a blanket contract.

Staff will continue to report on a semi-annual basis the number of Oracle software licences for the purpose of database management under the terms of the Client Level Agreement and Blanket Contract. Therefore, it is recommended that the Client Level Agreement be extended to March 30, 2007 with Oracle Canada, and the Oracle Canada Blanket Contract No. 47011278 be increased in the amount of \$1,955,000.00 including all applicable charges and taxes.

Contacts:

John Davies, Executive Director
Information & Technology Division
Tel.: (416) 392-8241
E-mail: jwdavies@toronto.ca

Bruce Bowes, P. Eng.
Chief Corporate Officer

(P:\2006\FIN\I&T\ad06005I&T) - cm

Attachment: Appendix A

Appendix A

				Oracle Licences Acquired							
Last Update: March 30, 2006				During the period from November 1, 2005 to March 31, 2006							
		License Type			How Acquired?	Acquisition - BPS price					
Division	Product Description	Named User	CPU Based	TARF #	CRO/ RFQ	License Cost	Support Cost paid by Divisions	Support Cost paid by MLA	Total Cost	Business Contact	Purpose of Acquisition
Policy, Planning, Finance & Administration (IT)	Dbse Standard Edit.		4	WES-05-211	CRO 8199068	\$ 51,398.32	\$11,307.64		\$ 62,705.96	Brian Ha	Lic. for new application users
Policy, Planning, Finance & Administration (IT)	Dbse Enterprise Edit.	100		WES-05-212	CRO 8199068	\$ 40,300.00	\$17,300.00		\$ 57,600.00	Brian Ha	Lic. for new application users
Policy, Planning, Finance & Administration (IT)	Spatial Option	50		WES-05-393	Pending CRO creation	\$ 12,100.00	\$4,600.00		\$ 16,700.00	Brian Ha	Lic. for new application users
Policy, Planning, Finance & Administration (IT)	Partitioning Option		2	WES-05-272	CRO 8199068	\$ 17,132.30	\$3,769.10		\$ 20,901.40	Brian Ha	Lic. for new application users
Policy, Planning, Finance & Administration (IT)	Internet Developer Suite	1			CRO 8199068	\$ 5,429.70	\$1,194.54		\$ 6,624.24	Bill Howes, Brian Ha	Lic. for new application users
Policy, Planning, Finance & Administration (Business System/IBMS)	Dbse Standard Edit.		1	UDS-05-038	CRO 8192474	\$ 12,849.58	\$2,826.91		\$ 15,676.49	keith Barret	Lic. for new application users
Shelter, Support & Housing	Dbse Standard Edit.		4	CNS-05-068	CRO 8196137	\$ 51,398.32	\$11,307.64		\$ 62,705.96	G. Ruberto	New project - Grants/CNS
City Clerk's Office (Election)	Dbse Standard Edit.		4		CRO 8196283	\$ 51,398.32		\$11,307.64	\$ 62,705.96	O. Esposito	Lic. For Election on IT81/82
Information & Technology (COTS)	Dbse Standard Edit.		6	IT-05-098	"	\$ 77,097.48		\$16,961.46	\$ 94,058.94	C. K. Chan	New project - AHD (Replaces SQL Server)
Information & Technology (COTS)	Dbse Standard Edit.		3	IT-05-123	CRO 8198912, 8200952	\$ 38,548.74		\$8,480.73	\$ 47,029.47	C. K. Chan	CLASS/QA server - Business case # 248
Information & Technology (COTS)	Internet Application Server (EE)		1	Biz case # 232	CRO 8199361	\$ 22,078.95	\$4,857.37		\$ 26,936.32	M. McKennan	LCM - additional IAS EE CPU license for Data Mart IT73/IT74
Information & Technology (SAP)	Dbse Enterprise Edit.	100		IT-05-143	CRO 8198153	\$ 40,300.00		\$17,300.00	\$ 57,600.00	Catherine Martin	SAP new Dev/QA servers
Information & Technology (Data Mart/CNS)	Internet Application Server (EE)	50		IT-05-149	CRO 8189625	\$ 22,082.00	\$4,858.00		\$ 26,940.00	M. McKennan	10 IAS NUL/cpu minimum.
Toronto Public Health - Support Services (TCHIS)	Identity and Access Management Suite	700		TPH-05-040	CRO 8197046	\$ 59,850.00	\$ 13,148.10		\$ 72,998.10	K. Shakoar	TCHIS - PHIPP legislative compliance
Toronto Public Health - Support Services (TCHIS)	Internet Application Server (EE)		2	"	"	\$ 44,157.90	\$ 9,714.74		\$ 53,872.64	K. Shakoar	TCHIS - PHIPP legislative compliance
Toronto Public Health - Support Services (TCHIS)	Advanced Security Opt.	50		TPH-05-018	RFQ 3405-05-3473, PO# 6018958	\$ 8,212.00	\$ 1,808.00		\$ 10,020.00	K. Shakoar	Minimum licence requirement for Dev & QA
Toronto Public Health - Support Services (TCHIS)	Partitioning Option	50		"	RFQ 3405-05-3473, PO# 6018958	\$ 8,212.00	\$ 1,808.00		\$ 10,020.00	K. Shakoar	Minimum licence requirement for Dev & QA
Total new licenses acquired		1101	27								
New license acquisition cost paid by divisions (A)						\$ 562,545.61					
Annual maintenance cost (B)							\$88,500.04	\$54,049.83			
Total new Oracle software license acquisition costs (A + B)									\$ 705,095.48		
Note: None											