



## STAFF REPORT ACTION REQUIRED

### Provision of Proprietary Software Support & Maintenance Services from INNOVYZE Inc. for Sewer Modelling and Asset Management

<b>Date:</b>	June 3, 2013
<b>To:</b>	Government Management Committee
<b>From:</b>	Chief Information Officer, Information & Technology General Manager, Toronto Water, and Director, Purchasing and Materials Management
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2013\Internal Services\PMMD\gm13004PMMD (AFS # 17833)

#### SUMMARY

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This report seeks authority to renew the information technology proprietary support and maintenance contract for InfoWorks and InfoNet software products licensed from INNOVYZE Inc. for a three (3) year period from January 1, 2013 to December 31, 2015 in the amount not to exceed \$164,132.88 USD, net of HST recoveries.

The previous purchases have exceeded the five (5) year commitment limit under section 1 of the Municipal Code Chapter 195-Purchasing (the Purchasing By-Law), Section 1; and a contract renewal is therefore being requested.

INNOVYZE Inc. is the sole provider of the InfoWorks and InfoNet software used by the City for computer simulation hydraulic modelling and sewer asset management, respectively.

#### RECOMMENDATIONS

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**The General Manager of Toronto Water, Chief Information Officer and Director of Purchasing and Materials Management recommend that:**

1. City Council authorize the Chief Information Officer to negotiate and execute a contract with INNOVYZE Inc., subject to approval of Toronto Water's annual Operating Budget in each calendar year, for the provision of maintenance and

support services for InfoWorks and InfoNet software licenses from January 1, 2013 to December 31, 2015 in the amount of \$161,294.10 USD net of HST (or \$164,132.88 USD net of HST recoveries), on terms and conditions satisfactory to the Chief Information Officer, Information & Technology, and the General Manager, Toronto Water, and in a form satisfactory to the City Solicitor.

## Financial Impact

This report identifies a total contract value of \$161,294.10 USD net of HST (or 164,132.88 USD net of HST recoveries) for maintenance and support services. Table 1 below sets out the maximum contract amounts for the three (3) year period from January 1, 2013 to December 31, 2015.

Funding in the amount of \$42,020.88 is included in Toronto Water's Approved 2013 Operating Budget. The funding for 2014 and 2015 will be included in Toronto Water's 2014 and 2015 Operating Budget Submissions.

TABLE 1  
INNOVYZE Inc. Proprietary Software Support & Maintenance for 3 Years (2013 to 2015)  
\$USD - net of HST recoveries

Cost Centre / Cost Element	2013	2014	2015	Total
WW4016 / 3420 WW4011 / 3420	\$42,020.88	\$55,968.00	\$66,144.00	\$164,132.88

The Deputy City Manager and Chief Financial Officer has reviewed this report and agreed with the financial impact information.

## ISSUE BACKGROUND

INNOVYZE Inc. owns and distributes the InfoWorks and InfoNet family of off-the-shelf software products which Toronto Water began using for computer simulation modelling and asset management of its sewer networks in 2006.

INNOVYZE Inc. has been providing maintenance and support services for these software products since 2007. Since the contract with INNOVYZE Inc. has exceeded the five (5) year commitment limit under Section 1 of the Purchasing By-Law, Council approval is required to commit additional funds to pay for the continuation of maintenance and support services.

In 2005, Toronto Water conducted a "Sewer System Modelling Software Needs Study" to review the various sewer modelling software applications used by the City, and other products which were available within the industry, at that time, and to select the software which would meet its longer term capital program planning needs. Through this study InfoWorks was selected as the best package because of its computational stability

particularly given the complexity of the City's sewer system, capacity to handle large sewer networks, full compatibility with Geographic Information Systems (GIS) already in use in the City, and given that it was widely used by municipalities across North America and engineering consulting firms.

Through the Study, Toronto Water explored sewer data management options to support the development of the Division's annual capital program for sewer infrastructure renewal. InfoNet was determined to be the best package for sewer asset data management, especially given its compatibility with the InfoWorks (sewer modelling software package) and the City's existing ArcGIS system. Further, InfoNet Exchange, an extension of InfoNet, allows for the automated exchange of data between InfoNet master databases and other third party databases such as ArcGIS, and Toronto Water's HANSEN work management system.

In 2006, as a result of widespread basement flooding complaints during extreme storms, the City Council approved a work plan to undertake a detailed engineering review in support of the development of Basement Flooding Protection Program. A copy of Council Decision Document associated with this Program can be found at: <http://www.toronto.ca/legdocs/2006/agendas/council/cc060425/wks2rpt/cl016.pdf> The comprehensive multi-year work program uses the InfoWorks software package to develop and assess upgrades to the City's sewers and storm drainage systems.

More recently, in response to the new Federal Wastewater Systems Effluent Regulations, Toronto Water plans to use the InfoWorks computer simulation program to generate annual discharge volumes from its complex combined sewer system, and meet its annual reporting requirements as prescribed in the Regulations. A copy of the Council Decision Document summarizing this plan can be found at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.PW21.8>

## **COMMENTS**

The maintenance contract supports these software applications within Toronto Water which are critical to the core business of the Division's Water Infrastructure Management Section. Maintenance and support of these products is only available from INNOVYZE Inc. as the software is proprietary to this vendor. The maintenance and support contract allows for:

- the City to receive security patches and updated versions of the software to ensure compatibility with other software applications and hardware in the City's information technology environment;
- the City to request INNOVYZE Inc. to introduce enhancements to the software products to meet Toronto Water's specific needs; and
- INNOVYZE Inc. providing Toronto Water with both technical and engineering support when problems arise to minimize downtime of the City's software applications.

The total cost for replacing InfoWorks and InfoNet for a similar package has been estimated at approximately \$610,000.00 USD, based on actual market prices. However, this does not include the significant investment in staff and engineering consultant time to reconfigure the City's comprehensive sewer database (ie. over 10,000 km of network data) for application to the new computer simulation modelling package; calibrating the new sewer models; and then verifying the quality and accuracy of model predictions obtained with the new application. Additional costs may also be incurred by the City, through amendments to existing engineering consultant assignments, should the consultants be directed to use alternate software packages.

Toronto Water has successfully used InfoWorks and InfoNet and plans to continue using these packages for the next five (5) years. The requested amounts for 2013, 2014 and 2015 represent "not to exceed" amounts over the three (3) year period for purposes of obtaining approval to negotiate the contracts with the vendor and will be subject to approval of Toronto Water's annual Operating Budgets. The amounts are based on the current support and maintenance requirements and previously negotiated inflationary increases.

The Fair Wage Office has reported that INNOVYZE Inc. has reviewed and understood the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

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## SIGNATURE

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