

**REPORT FOR ACTION****Amendment to Existing Vendor of Record Agreement with OpenText Corporation for the Purchase of Enterprise Information Management Products and Services**

Date: March 18, 2019

To: General Government and Licensing Committee

From: Chief Information Officer and Chief Purchasing Officer

Wards: All

SUMMARY

The purpose of this report is to seek authority to amend and increase the existing agreement with OpenText Corporation (VOR No. 1020) for the purchase of Enterprise Information Management ("EIM") products and services by an estimated amount of \$2,300,000 net of HST (\$2,340,480 net of HST recoveries), increasing the total contract amount from \$5,438,085 to \$7,778,565 net of HST recoveries.

In 2009, the Province of Ontario named OpenText its Enterprise Information Management ("EIM") Vendor of Record (VOR No. 1020) for Enterprise Document and Records Management Products and Professional Services ("EDRMS"), after an extensive competitive procurement process. The City Clerk's Office has determined that the Province's solution meets the City's business requirements, being able to manage City records regardless of format while fitting into the City's overall technology roadmap. In 2018, the Toronto Records Steering Committee, confirmed that the OpenText Solution would be the City's Enterprise Records Management System.

The increased spend will account for the addition of Municipal Licensing and Standards (\$1,526,400 net of HST), Employment and Social Services (\$101,760 net of HST) and Solid Waste Management Services (\$508,800 net of HST) (SWMS) upcoming projects and amendment of PO 6043499 for Information and Technology (\$203,520 net of HST). In accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control), Committee authority is required.

The OpenText Corporation is providing goods and services to the City that manages electronic and physical City records. Currently, the Toronto Records Project (T-Recs) is being piloted by City Clerk's Office to manage electronic records. This will be expanded to also manage physical records in the second quarter of 2019. It is conservatively estimated that the benefit realizations of the T-Recs project will avoid future costs to the

City of \$1.750 million when fully implemented for Municipal Licensing and Standards and Solid Waste Management Services Divisions. The transformation of divisional business processes to use digital documents and records instead of their physical counterparts, reduction in volume and storage needs for physical records, as well as, addressing the unmanaged growth of digital documents on City infrastructure are examples of cost avoidance objectives for the City of Toronto.

RECOMMENDATIONS

The Chief Information Officer and the Chief Purchasing Officer recommend that:

1. The General Government and Licensing Committee, in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-law), grant authority to amend the existing agreement to increase the contract with OpenText Corporation for the additional purchases of Enterprise Information Management product and services by an estimated amount of \$2,300,000 net of HST (\$2,340,480 net of HST recoveries), increasing the total authorization amount from \$5,438,085 to \$7,778,565 net of HST recoveries under the same terms and conditions of the existing agreement and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The total estimated contract expenditure increase is \$2,300,000 plus HST and all applicable charges. The cost to the City is estimated at \$2,340,480 net of HST recoveries. Funding is available in the Information & Technology, and Solid Waste Management Services 2019 Approved Capital Budgets and 2020-2028 Approved Capital Plans and the Employment and Social Services 2019 Approved Operating Budget, with future expenditures included in subsequent years base operating budget submissions, as summarised in the following table.

Division/Project	WBS Element	Total (Net of HST Recoveries)
Municipal Licensing & Standards - Digitization Project	CIT045-25-02	\$1,526,400
Information & Technology - T-Recs Project	CIT046-10-03	\$ 203,520
Solid Waste Management Services - EDRMS Project	CSW019-04-01	\$ 508,800
Employment & Social Services - Paperless Office Project	C01299 C/E 4474	\$ 101,760
Total		\$2,340,480

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

In 2009, the Province of Ontario named OpenText its Enterprise Information Management ("EIM") Vendor of Record (VOR No. 1020) for Enterprise Document and Records Management Products and Professional Services ("EDRMS"), after an extensive competitive procurement process. After a successful implementation, the Province made available in 2014 the VOR to Provincially Funded Organizations, including municipalities. The City has determined that the Province's solution meets the City's business requirements, being able to manage City records regardless of format while fitting into the City's overall technology roadmap. Formats being managed include electronic records in multiple formats such as PDF files, Microsoft Office files, Audio and Video files, and physical records such as documents, maps, hard drives, floppy disks.

At its meeting on December 9 & 10 2015, City Council authorized the Chief Information Officer, the City Clerk and the Director, Revenue Services to negotiate and execute a separate non-exclusive three-year agreement with OpenText Corporation (the Province of Ontario's Vendor of Record for Enterprise Information Management), for the purchase of professional services as well as licenses and associated support and maintenance for these licenses for an estimated amount of \$5,344,030 net of HST (\$5,438,085 net of HST recoveries) on terms and conditions satisfactory to the Chief Information Officer, the City Clerk and the Director, Revenue Services and in a form satisfactory to the City Solicitor.

<https://www.toronto.ca/legdocs/mmis/2015/gm/bgrd/backgroundfile-85038.pdf>

COMMENTS

The T-Recs Project is using OpenText products and services to develop the City's new solution (known as T-Recs) for managing both electronic and physical records. The initial version of T-Recs is being piloted to manage electronic records, the second version, which will manage physical records, will be deployed and piloted in the second quarter of 2019. This will allow the City to gain a better understanding of the potential costs for the implementation for City Divisions and to provide a better understanding of the time frame for the rollouts.

On November 26, 2018, an electronic records pilot started in the Corporate Information Management Services section of City Clerk's. Upon successful completion of the pilot, end of March 2019 continued roll-out of the T-Recs solution across the City Clerk's Office is planned. The T-Recs Project team is working on release two of the T-Recs solutions, this release will provide the capabilities to manage the City's physical records, allowing for the migration of approximately 9M physical records data from the unsupported legacy solution Livelink Records Server (LLRS), to T-Recs. Upon successful completion of the migration, the Livelink Records Server solution will be decommissioned.

The electronic records pilot will be the basis for a broader roll-out of the T-Recs solution to City Divisions. City Clerk's Office has designated T-Recs as the City's new solution for managing both physical and electronic records. Plans are being developed to deploy T-Recs across the City to enable the capture of electronic records, including integration with other enterprise applications such as Human Resources & Financial systems, Customer Relationship Management (CRM) system, future IT Foundational systems as well as Divisional specific applications.

Municipal Licensing & Standards' Digitization Project

Municipal Licensing & Standards will digitize between 8 and 9 million paper records, for their four licensing services as well as enforcement, and store them in the T-Recs solution. They will also digitize all new paper documents received from clients. This work will start in 2019 and be completed by early 2020, allowing Municipal Licensing & Standards staff, regardless of location, to access licensing and enforcement information anytime, anywhere. These electronic records will then become the authoritative record, allowing for the destruction of the physical records.

The benefits derived from this transformation include improved staff productivity by being able to access licensing and enforcement information anywhere, anytime, improved customer service through information being available at your fingertips, as well freeing up office space through removal of paper files. It is expected that the benefits of going digital will include operational efficiencies avoiding approximately \$1.000 million in divisional expenditures.

This project is a foundational element for the bigger Municipal Licensing & Standards Modernization project.

Solid Waste Management Services' EDRMS Project

The EDRMS project plans to use the T-Recs solution to manage electronic documents and records for the Division. Solid Waste plans to be fully digitally enabled by 2022. The initial phase of the project will migrate approximately 750,000 documents (MS office, PDF, audio, video, CAD, email, database and image files) from folders on the Solid Waste shared drive to the T-Recs solution and to pilot the T-Recs solution. The T-Recs solution will be enhanced with new capabilities to satisfy Solid Waste's requirements, including automatic file naming, redaction, document transformation, mark-up and commenting, stamps, workflow and electronic signatures. It is expected that the benefits of going digital will include operational efficiencies avoiding approximately \$0.750 million in divisional expenditures.

Employment & Social Services' EDRMS Project

Employment & Social Services delivers the Provincial Ontario Works program to City of Toronto residents. The Province is digitizing files associated with the Ontario Works program. These files, currently stored and managed by City Clerk's Office staff, will be stored and managed in the Province's document & records management solution, OPSDocs. City staff will access these digitized files through the Ministry of Community

and Social Services case management technology, SAMS. The T-Recs project is working with Employment & Social Services to see how their staff can work with both the OPSDocs, SAMS as well as the T-Recs solution. Discussions with OpenText, the vendor supporting both OPSDocs and T-Recs are underway.

The current agreement with OpenText Corporation (VOR No. 1020) for the purchase of Enterprise Information Management ("EIM") products and services will expire on May 19, 2019. At this time, there is no indication that the Province of Ontario will enter into a new Vendor of Record with OpenText Corporation, thus during the second quarter of 2019, the Chief Information Officer intends to seek authority from Council for the Chief Information Officer and the Chief Purchasing Officer to negotiate a net new multi-year non-competitive agreement with OpenText Corporation for the purchase of Enterprise Information Management ("EIM") products, services and maintenance to support the continued roll out of the T-Recs solution to all City divisions.

The Fair Wage Office has reported that OpenText Corporation has indicated that it has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

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