

## **Authority to Negotiate a New Subordinate Agreement with OpenText Corporation, the Province of Ontario's Existing Vendor of Record**

Date: December 18, 2019

To: General Government and Licensing Committee

From: Chief Technology Officer and Chief Purchasing Officer

Wards: All

### **SUMMARY**

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The purpose of this report is to seek authority to negotiate a new Subordinate Agreement to a Provincial Master Services Agreement. This Agreement is with OpenText Corporation ("OpenText") for the purchase of Enterprise Information Management ("EIM") products and services. The cost is in the amount of \$5,204,352 net of all taxes, applicable charges, and net of Harmonized Sales Tax recoveries.

In 2009, the Province of Ontario competitively procured OpenText as its Enterprise Information Management Vendor of Record (VOR Number 1020). This Vendor of Record was for Enterprise Document and Records Management Products and Professional Services ("EDRMS"). In 2018, the City leveraged the Vendor of Record due to proper fit and favourable pricing the Province of Ontario obtained.

OpenText EDRMS allows the City to centralize the storage and management of records, thereby reducing information silos and improving information management within business processes. Capabilities include version control, duplicate content reduction, and access control through appropriate user profiles. As the City's digital content grows, some key benefits are the ability to manage information storage costs, reduce cybersecurity risks, and privacy compliance requirements set out in the City of Toronto Act. This platform will be leveraged by multiple divisions with a targeted four-year comprehensive return on investment of approximately \$10 million achieved through cost savings and avoidance.

The Provincial Vendor of Record Number 1020 for OpenText products and services expired on May 19, 2019. Subsequently, the Province negotiated a new Vendor of Record Master Agreement with OpenText. By leveraging and entering into a Subordinate Agreement, the City expects to comparably save the time and effort expended by the Provision in this regard.

Given this is part of the Enterprise Information Management Partnership Program, the Deputy City Clerk for Corporate Information Management Services in the City Clerk's Office has reviewed this report and supports its' recommendations.

## RECOMMENDATIONS

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

1. City Council authorize the Chief Technology Officer to leverage the Provincial Master Services Agreement with OpenText Corporation and to negotiate and enter into a Subordinate Agreement for the purchase of Enterprise Information Management products and services for a two-year term at a total contract value up to the amount of \$5,114,340, excluding all taxes and charges, on terms and conditions satisfactory to the Chief Technology Officer and in a form satisfactory to the City Solicitor.

## FINANCIAL IMPACT

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The total potential cost to the City will be \$5,779,204, including all applicable taxes and charges, and \$5,114,340 net of all applicable taxes and charges. The total potential cost to the City is \$5,204,352 net of Harmonized Sales Tax recoveries. The cost is calculated based upon the completion of active projects, as well as the initial high-level planning for the eight projects scheduled to start in 2020 until 2021. The estimated costs include a number of software licenses needed and professional services. The cost estimates are based upon pricing from the currently negotiated Provincial agreement with OpenText, which will be available to the City to leverage by the end of November 2019 until November 2027 when the terms expire.

Funding in the amount of \$5,204,352 net of Harmonized Sales Tax recoveries has been requested in the Information and Technology 2020 Capital Budget and 2021-2029 Capital Plan submission. Additional operating funding will be requested in the 2021-2022 Information and Technology Operating Budget submissions.

The funding breakdown by year is included in the following tables:

Table 1 - Capital Funding

Division	WBS Element	Amount		
		2020	2021	Total
Information and Technology	CIT046-10-03	\$2,623,258	\$2,507,408	\$5,130,666

Table 2 - Operating Funding

Division	Cost Centre and Cost Element	Amount			
		2020	2021	2022	Total
Information and Technology	IT2024 and 3420	\$0	\$30,547	\$43,139	\$73,686

The Chief Financial Officer and Treasurer has been provided the financial impacts associated with this agreement for review as part of the 2020 Budget process.

## DECISION HISTORY

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In 2009, the Province of Ontario named OpenText Corporation 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 the VOR available to Provincially Funded Organizations, including municipalities in 2014.

In December 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) based on the Provincial VOR, for the purchase of professional services, as well as licenses, associated support and maintenance for these licenses 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.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.GM8.5>

On April 1 2019, General Government and Licensing Committee (GGLC) granted authority to amend the existing agreement to increase the contract with OpenText Corporation for the additional purchase of Enterprise Information Management products and services by an estimated amount of \$2,300,000 net of Harmonized Sales Tax, increasing the total authorization amount from \$5,438,085 to \$7,778,565 net of Harmonized Sales Tax recoveries under the same terms and conditions of the existing agreement and in a form satisfactory to the City Solicitor.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.GL3.6>

## COMMENTS

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Following the 2015 award, the City used OpenText products and services to develop an enterprise platform. This platform was used to manage City electronic records. This platform will replace the aging solution, Livelink Records Server (LLRS). This solution is also currently used to manage physical records for the City and selected Agencies. The initial version of the enterprise platform became available on November 23<sup>rd</sup>, 2018. An electronic records pilot for the City Clerk's Corporate Information Management Services (CIMS) section started on November 26<sup>th</sup>, 2018. It was successfully completed on March 31<sup>st</sup>, 2019. Availability of the enterprise platform across the City Clerk's Office to manage electronic records is planned. The second phase of the project will help the City manage physical records in addition to electronic records. This capability through one enterprise platform will be ready for use in early 2020.

Several projects are underway that use the enterprise platform, including:

MLS Digitization Project – digitize approximately eight (8) million pages of existing license records and all new license related documents moving forward. This project will:

- improve customer experience;
- provide counter and mobile staff access anywhere, anytime to license related records;
- reduce paper and physical document storage costs; and improve operational efficiency and process productivity. This will be achieved through reducing the time staff search for and retrieve license information.

Solid Waste Management Electronic Document and Records Management System (EDRMS) Project – move electronic documents from the current network drive to the OpenText EDRMS. The Solid Waste Management Services EDRMS project will improve operational efficiency and process productivity. This will be achieved by:

- reducing the time staff spend searching for authoritative versions of content;
- providing easy and efficient access to electronic records; and
- improving the quality of information stored and managed.

Additional value will be delivered by eliminating the risk of accidental destruction or theft of information. This will be achieved with the application of appropriate security.

The enterprise content management project aligns with the Enterprise Information Management Partnership Program. This partnership, created in 2018 between the City Clerk's Office, the Information and Technology Division also included City Divisions. The mandate of the program is to support divisional day-to-day needs for managing business records. The goal of the program is to improve the effectiveness and efficiency of divisional service delivery. This improvement will be achieved by capturing, digitizing, and categorizing business records. These projects will also enhance searchability, internal and external sharing of content, and content approval. The Program embeds privacy and open government by design. This enterprise platform will improve good governance through transparency and accountability for data and information.

The next phase of the project will make the enterprise platform available to additional divisions. These divisions will have demonstrated their need for an Electronic Document and Records Management System (EDRMS). The list of divisions includes Legal Services, Toronto Public Health, Payroll, Pensions and Employee Benefits, People and Equity, City Clerk's Office and Information and Technology.

Additional related projects are planned for 2021. These will also use the enterprise platform as the basis for their solutions.

The leveraged Provincial Master Services Agreement with OpenText will be used to cover the purchase of additional product licenses and services. Entering into a two-year Subordinate Agreement aligns the contract with project timelines. It also ensures realized benefits before a commitment to a higher cost is made with the vendor.

## **BENEFITS**

Use of the enterprise platform will help divisions modernize their businesses as they transition to digital service delivery. Operational efficiencies will be realized through staff access to content anytime and anywhere. Efficiencies also include a reduction of manual effort through automation. Customer service will be improved through better access to the content needed to satisfy the customers needs in a more timely manner. After deployment of the enterprise platform, the eight projects have an initial estimated cost avoidance in the amount of \$24 million over five years. The targeted return on investment is \$10 million within four years through cost savings and avoidance. This occurs after project implementation and software costs. Other expected benefits include:

### **Legislative**

- Ensure statutory requirements under the City of Toronto Act, the Canada Evidence Act, and the Municipal Freedom of Information and Protection of Privacy Act are being met. These requirements include privacy, retention and auditability of records.

### **Financial Efficiency**

- Reduce the cost of handling digital documents vs physical documents (\$0.19 versus \$0.57 each for paper records);
- Reduce the time spent searching for and retrieving documents;
- Replace and decommission Legacy systems, resulting in reduced solution blueprint;
- Reduce the space needed to store physical records and
- Process automation will reduce the time and cost associated with manual processing.

## Operational Efficiency

- Centralization of content to reduce information silos such as employee records, technology assets, enabling more effective collection of information for freedom of information requests.
- Simplify business processes, reducing the time to accomplish outcomes;
- Improve user experience such as creating content workflows that enable electronic signatures; and
- Improve file management by allowing enterprise level access to content through appropriate access permissions for staff;

## Service Efficiency

- Improve the quality of service-related data;
- Improve service delivery through automation;
- Disposal of content that is not covered by record retention schedules;
- Improve availability of information, anytime, anywhere and
- Improve the speed and quality of decision making with digital documents and processes.

## Summary: Leveraging the Enterprise Platform

The enterprise platform is a foundational technology that helps divisions streamline and automate information management through the lifecycle of business records. This technology includes the capture or create, classify, manage, store, preserve, and disposition of information. The platform facilitates the City's transition from paper-based to digital service delivery. It replaces manual processes with automated ones where appropriate. It provides secure storage for business records. Through standard application integrations, access is provided to business records as City staff work with several applications. These include Salesforce, SAP, SAP SuccessFactors, and Microsoft Office 365. This platform enables improved decision making through timely access to information. This technology also allows a connected workforce to collaborate across the City to improve service delivery.

The Fair Wage Office reports that OpenText has reviewed and understands Fair Wage Policy and Labour Trades requirements. OpenText has agreed to comply fully.

## CONTACT

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## SIGNATURE

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