

Request for Authority to Enter into a Non-Competitive Agreement with OpenText Corporation leveraging the Provincial Volume Licensing Agreement

Date: February 16, 2023

To: General Government Committee

From: Chief Technology Officer and Chief Procurement Officer

Wards: All

SUMMARY

The purpose of this report is to seek authority to execute a non-competitive Non-Ontario Public Service (Non-OPS) Client Agreement to a Volume Licensing Agreement (VLA) with OpenText Corporation ("OpenText") for the purchase of Enterprise Information Management ("EIM") products and services. The cost will be \$965,000 net of all applicable taxes and charges (\$981,984 net of Harmonized Sales Tax recoveries).

It is estimated that more than 90% of City information is born in electronic form. The City has a continuing need for supporting infrastructure and technologies to manage the whole lifecycle of all City records, paper and electronic.

OpenText Records Management Application provides the City a complete centralized records lifecycle management solution. As the City's digital content grows, 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*.

In 2009, the Province of Ontario competitively procured OpenText as its Enterprise Information Management Vendor of Record (VOR) Number 1020 for Enterprise Document and Records Management ("EDRMS") Products and Professional Services. In 2015, the City received authority from City Council to leverage the Vendor of Record due to proper fit and favourable pricing and to negotiate and execute a separate non-exclusive three (3)-year agreement with OpenText Corporation for the purchase of professional services as well as licenses and associated support and maintenance. Following the 2015 award, the City used OpenText products and services to develop an enterprise platform to manage the City's electronic records.

The Provincial Vendor of Record Number 1020 for OpenText products and services expired on May 19, 2019. Subsequently, the Province negotiated a new Volume

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Licensing Agreement (VLA) with OpenText. The initial term of the VLA was three (3) years, effective November 25, 2019, with two extensions of three (3) years and two (2) years, respectively. The new VLA is under Vendor of Record Number MGS-OPENTEXT-VLA, and it is non-competitive. The City leveraged this VLA and entered into a non-competitive Non-OPS Client Agreement (dated April 6, 2020) with OpenText, which enabled the City to save considerable time and effort in the Provision in this regard. The term of the agreement was set at a two (2)-year term from April 6, 2020, to April 5, 2022.

The City seeks a non-competitive Non-OPS Client Agreement with OpenText for a term from the date of award to November 24, 2025, with an option at the City's discretion to extend for up to two (2) consecutive one (1)-year terms which would align with the term of the Province's VLA with OpenText to November 24, 2025 including the extension to November 24, 2027.

The City is requesting authority to spend for the purchase of new licences and professional services for capital projects by leveraging the new VLA with OpenText under Vendor of Record Number MGS-OPENTEXT-VLA which is valid until November 24, 2025, with the potential to extend for two more years. In 2023, capital projects will support Solid Waste Management Services and Pension, Payroll and Employee Benefits divisions onboarding to the OpenText Records Management platform TRECS. This effort will require professional services delivered by OpenText. Without a contract, no spend authority allows purchasing of new licences and services.

City Council approval is required in accordance with Municipal Code Chapter 195-Purchasing, where the current request exceeds the Chief Procurement Officer's authority of the cumulative five-year commitment limit for each supplier under Article 7, Section 195-7.3D of the Purchasing By-Law or exceeds the threshold of \$500,000 net of Harmonized Sales Tax allowed under staff authority as per the Toronto Municipal Code, Chapter 71-Financial Control, Section 71-11A.

RECOMMENDATIONS

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

1. City Council authorize the Chief Technology Officer to execute a non-competitive Non-Ontario Public Service (Non-OPS) Client Agreement to the Volume Licensing Agreement (VLA) with OpenText Corporation ("OpenText") for the purchase of Enterprise Information Management ("EIM") products and services for a term from the date of award to November 24, 2025, with an option at the City's discretion to extend for up to two (2) consecutive one (1)-year terms, and in the amount of \$965,000 net of all applicable taxes and charges (\$981,984 net of Harmonized Sales Tax recoveries), on terms and conditions satisfactory to the Chief Technology Officer and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The total value identified in this report is \$965,000 net of all applicable taxes and charges. The total potential cost to the City is \$981,984 net of Harmonized Sales Tax recoveries.

The cost is calculated based on the completion of active projects and the initial high-level planning for three (3) projects scheduled to start in 2023. 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 until November 2027, when the terms, including option years, expire.

Funding in the amount of \$305,280 net of Harmonized Sales Tax recoveries is available in the 2023 Approved Capital Budget for the Technology Services Division. Funding in the amount of \$223,872 net of Harmonized Sales Tax recoveries will be included in the 2024 Operating Budget submissions for the Technology Services Division.

Funding in the amount of \$351,072 net of Harmonized Sales Tax recoveries is available in the 2023 Approved Capital Budget for the Solid Waste Management Services.

Funding in the amount of \$101,760 net of Harmonized Sales Tax recoveries is available in the 2023 Approved Capital Budget for the Office of the Controller.

Funding for two (2) consecutive one (1)-year option terms will be requested separately as the requirements for the option terms are not firm yet.

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

Table 1 - Capital Funding (Net of Harmonized Sales Tax Recoveries)

Program/Budget	WBS Element/Cost Centre	2023	2024	2025	2026	2027	Total
Technology Services	CIT045-46-01	\$305,280					\$305,280
Technology Services	IT2017		\$223,872				\$223,872
Solid Waste Management Services	CSW019-04-01	\$198,432	\$152,640				\$351,072
Office of the Controller	CFS049-01	\$101,760					\$101,760
Total		\$605,472	\$376,512				\$981,984

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

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DECISION HISTORY

In 2009, the Province of Ontario named OpenText Corporation as its Enterprise Information Management ("EIM") Vendor of Record ("VOR") Number 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.

At its meeting of December 9, 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>

At its meeting of April 1, 2019, General Government and Licensing Committee 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 (\$2,340,480 net of Harmonized Sales Tax recoveries), 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>

In November 2019, the Province of Ontario entered into a new Volume Licensing Agreement (VLA) with OpenText Corporation (OpenText) to provide Modules and Services related to Enterprise Information Management. At its meeting of January 29, 2020, City Council granted authority to authorize the Chief Technology Officer to leverage the Provincial VLA 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 of up to \$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.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.GL11.12>

COMMENTS

A record is any document – in any format (paper or electronic, and even images or video) – created, received or executed in the conduct of an organization. In records

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management, there are phases that each record must go through, and the actions should be taken during its lifespan, from its creation to its preservation (in archives) or disposal. Different policies and procedures exist at each phase to maintain the records' quality and integrity. The Toronto Municipal Code Chapter 217 clarifies the corporate objective for managing information and records (Section 2-A), the City Clerk will establish a framework of standards and policies relating to information and records management in accordance with applicable legislation. This framework addresses records management, including classification, retention, disposition and auditing.

With the increased automated processes and the vast number of electronic documents and records, more need for Electronic Records Management is required within the City. Electronic Records Management has become more critical for organizations with increasing volumes of information legislatively required to be compliant. Using an in-place Electronic Data and Records Management System will allow the organization to better leverage the capabilities that they offer in the following areas:

- Reduced cost because of less required physical storage space for records subject to legislative and regulatory retention requirements
- Improved operational efficiency and process via automation
- Improved quality of information stored
- Search time reduction for necessary records
- Environmental benefit of using less paper
- Eliminate the risk of accidental destruction or theft of information by applying appropriate security permissions within the technology platform

Following the 2015 award of the three-year agreement with OpenText Corporation, based on the Provincial VOR, the City used OpenText products and services to develop an enterprise platform to manage City electronic records. An electronic records pilot for the City Clerk's Corporate Information Management Services (CIMS) section started on November 26, 2018. It was successfully completed on March 31, 2019. This digital records management solution is internally known as TRECS – Toronto Records Management System.

Since the initial records management pilot was successfully completed, the initial divisional areas that started to use the platform were Municipal Licencing and Standards (MLS) and Solid Waste Management Services (SWMS).

In 2021, MLS had completed scanning approximately eight million pages of existing licence records that were then loaded into the TRECS solution. New licence documentation could be submitted moving forward using a digital portal that enables the public to submit new licence applications, which is then loaded internally to the TRECS environment. So far, this effort has proven to deliver a better customer experience by providing unique online licence submission capabilities while leaving in-person counter services as an option. The digital online service has proved quite popular during the COVID-19 lockdown periods. In addition, the solution has met the objective of improving operational efficiency and process productivity while reducing paper usage and physical storage costs of this documentation.

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Solid Waste Management Services Electronic Document and Records Management System (EDRMS) Project – has completed i.e., Proof of Concept and simple data migration its initial pilot phase. In 2023, SWMS wants to move its remaining staff of 300 users onto the TRECS system. SWMS has quite a large amount of digital content stored on shared drives. The next phase will move electronic documents from the current network drive to TRECS so that we can realise the benefits listed earlier.

In 2023, Pension, Payroll and Employee Benefits division (Office of the Controller) will start moving the Employee File records to the OpenText TRECS solution. This will contain a central repository for Digital Employee Records.

The City will continue to integrate TRECS with critical systems, such as SAP, M365 and IBM Maximo, to ensure that records are appropriately managed according to the legislative requirements for each division. This integration is key to ensuring that content storage and its cost does not continue to increase at a considerable rate. The OpenText product tracks, manages, and provides the appropriate approvals to authorize the disposal of data outside of the set retention schedule. The request for spending authority allows the City to continue to move towards accomplishing these objectives.

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

Conclusion:

The ability for the City to execute a non-competitive Non-OPS Client Agreement to VLA with OpenText for the purchase of Enterprise Information Management products and services is essential to meeting the need for continued successful Electronic Records Management at the City. The City is requesting authority to spend for the purchase of new licences and professional services for capital projects. There is no commitment to purchase, and all purchases are made on an as-required basis.

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SIGNATURE

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