

Non-Competitive Contract with Esri Canada Limited for Proprietary Geographic Information System Software Licences, Cloud Subscriptions and Related Maintenance

Date: March 7, 2024

To: General Government Committee

From: Chief Technology Officer and Chief Procurement Officer

Wards: All

SUMMARY

The purpose of this report is to request City Council authority negotiate and enter a non-competitive contract with Esri Canada Limited for the provision of proprietary Geographic Information System (GIS) software licences, cloud subscription and related maintenance. The Contract will commence from the date of award for a one (1) year period, for the total amount of \$1,052,851 net of all taxes and applicable charges (\$1,071,381 net of Harmonized Sales Tax Recoveries). Obtaining additional Esri licences for existing products through this report will support anticipated divisional growth on current GIS capabilities and provide continued support for key initiatives such as affordable housing and sustainable urban development.

GIS is a critical technology domain to enable spatial analysis and data-driven decision-making. It plays a pivotal role in City operations (e.g. supporting 911 dispatch, aiding urban planning initiatives and serving as a decision support tool for transit related activities, utility management and affordable housing). GIS is integrated extensively across several City-wide systems such as Elections to coordinate and assign Toronto voters to over 1,800 voting stations across ward boundaries. Toronto also relies on GIS for infrastructure management: Toronto Water tracks and coordinates nearly \$6 billion in linear capital works as part of its 10-Year Capital Plan and maintains an asset inventory of over 2.2 million records through GIS solutions.

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 for each supplier, under Article 7, Section 195-7.3 (D) of the Purchasing By-Law or exceeds the threshold of \$500,000 net of HST allowed under staff authority as per the Toronto Municipal Code, Chapter 71-Financial Control, Section 71-11A.

RECOMMENDATIONS

The Chief Technology Officer and Chief Procurement Officer recommend that:

City Council authorize the Chief Technology Officer to negotiate and execute a non-competitive contract with Esri Canada Limited to purchase proprietary Geographic Information System (GIS) software licences, cloud subscriptions and related maintenance, commencing from the date of award for a one (1) year period, for the total amount of \$1,052,851 net of all taxes and applicable charges (\$1,071,381 net of Harmonized Sales Tax Recoveries).

FINANCIAL IMPACT

The total amount of the proposed contract is \$1,052,851 net of all taxes and applicable charges and \$1,071,381 net of Harmonized Sales Tax Recoveries.

Funding for the one-year contract is available in the 2024 Approved Operating Budgets of participating Programs. The estimated expenditures by Division for 2024 with annual maintenance are summarized in Table 1 to follow:

Table 1: Financial Impact Summary of Recommended Contract (Net of HST Recoveries)

		GIS Software Licenses	Cloud Subscription	Annual Maintenance	Total
Division	Cost Centre / Cost Element	Year: 2024	Year: 2024	Year: 2025	
City Planning	UR0005 & UA0018 / 3420, 4828, 4474	\$12,970	\$540	\$3,634	\$17,145
Social Development, Finance and Administration	G27103 / 3420, 4474	\$2,610		\$816	\$3,426

		GIS Software Licenses	Cloud Subscription	Annual Maintenance	Total
Toronto Water	TW6045, TW2015, TW3005/ 3420, 4474	\$194,561		\$46,398	\$240,960
Technology Services	IT4010 / 3420, 4474	\$82,102		\$22,768	\$104,870
Parks Forestry and Recreation	EA0101, P13333 / 3420, 4828, 4474	\$79,687	\$154,085	\$166,297	\$400,069
Transportation Services	TS3010, TS4020, TS4010, TS4030, TS4040, TS3050, TS3020 / 3420, 4474	\$84,966		\$17,754	\$102,720
Solid Waste Management Services	SW0701 / 3420, 4474	\$5,220		\$1,633	\$6,854
Various Divisions	3420, 4474, 4828	\$119,792	\$39,931	\$35,616	\$195,338
Totals		\$581,908	\$194,556	\$294,917	\$1,071,381

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as contained in the Financial Impact Section.

DECISION HISTORY

On November 9, 2021, City Council granted the authority under GL26.5 for the Chief Technology Officer to negotiate and enter into a non-competitive contract with Esri

Canada Limited to purchase proprietary geographic information system software licences for a one (1) year period commencing from the date of award, with the option to renew for two (2) additional separate one (1) year periods, at the sole discretion of the Chief Technology Officer and subject to budget approval(s), for the total amount of up to \$619,749 net of Harmonized Sales Tax (\$630,657 net of Harmonized Sales Tax Recoveries) on terms and conditions satisfactory to the Chief Technology Officer, Technology Services and in a form satisfactory to the City Solicitor.

[Agenda Item History - Item 2021.GL26.5](#)

On June 7, 2016, the City Council granted the authority under GM12.5 to negotiate and enter into a non-competitive contract with Esri Canada Limited to purchase proprietary geographic information system software licences for a one (1) year period commencing from the date that the contract is issued, with the option to renew for additional four (4) separate one (1) year periods, at the sole discretion of the City and subject to budget approval(s), for the total amount of \$800,000 net of HST (\$814,080 net of HST recoveries).

[Agenda Item History 2016.GM12.5](#)

In 2004, the City executed a Master Licence Agreement to provide for the terms governing the software licenced by Esri and purchased from Esri Canada Limited. Following the execution of that agreement, the City and its Divisions purchased software from Esri under the terms of that agreement using standard and divisional purchase orders in conjunction with Purchasing and Materials Management Division's non-competitive procurement procedures.

In 2003, Esri Canada Limited was the successful proponent for Request for Proposal 9144-03-7067. Technology Services Division, at that time known as the Information & Technology Division, awarded a \$357,627 contract with Esri for software solutions to facilitate access to the City's enterprise geographic information platform.

COMMENTS

Currently, approximately 6,000 City staff use Esri software across 39 divisions. Within the City's technology ecosystem, Esri software plays a critical role in the delivery of over 40 public-facing mapping applications, including [Toronto Maps](#), the [Open Data Portal](#), [PlowTO](#), [Vision Zero](#), and the Development [Application Information Centre](#). The standard mapping platform for all toronto.ca map applications is rooted within the Esri platform and service components.

Through research and a recent market scan, Technology Services Division has validated that Esri continues to be a recognized leader in the geospatial market. Many municipal governments in the Greater Toronto and Hamilton Area, including Peel, York, Durham, Halton, Hamilton, Ottawa, Waterloo, and Niagara, rely on Esri's suite of GIS products. Esri's influence extends to the Province of Ontario and the Government of Canada's geospatial technology platform, with additional support from local educational institutions in Toronto.

Esri is a global industry leader in GIS technology development and Esri Canada Limited is the sole distributor of Esri software licenses in Canada. While Esri's platform is proprietary, it offers open and industry-standard data frameworks and Application Programming Interface for interoperable integration. Esri software is used extensively across the City for business support and service delivery.

Technology Services Division will partner with client divisions to assess future staff capability requirements and long-term strategic GIS capability goals. Use of GIS is expected to continue across several divisions to modernize through improved, data informed decision-making and automation.

DIGITAL INFRASTRUCTURE IMPACT STATEMENT

City Council adopted the Digital Infrastructure Strategic Framework at its meeting on April 2022 and directed that the Digital Infrastructure Strategic Framework be used as the guiding direction for digital infrastructure initiatives undertaken by the City. The recommendations of this report align with the Corporate Strategic Plan and the Digital Infrastructure Strategic Framework, including the following Strategic Priorities:

Strategic Priority 2.2: Data Governance

The Esri platform facilitates data sharing and integration capabilities across the organization and provides authoritative geospatial data for all mapping on Toronto.ca. The Esri software toolkit enables deep insight into the City's functions, facilitating evidence-based decision-making, organizational efficiency, and improved service delivery, including key priorities such as affordable housing.

Strategic Priority 2.4: Toronto Public Service Digital Literacy and Adoption

The usage of the Esri platform aligns with the principles of a Well-run City by enabling the delivery of high-quality geospatial applications. The recommendations of this report ensure the continued and uninterrupted use of software that plays a critical role in the delivery of over 100 internal and public-facing applications, in addition to supporting many hundreds of desktop GIS users across 39 City Divisions.

Strategic Priority 6.3: Open Standards and Interoperability

While the core Esri platform is proprietary, data and service access adhere to industry open standards, facilitating integration with critical City-wide systems like IBM Maximo, Salesforce, and Project Tracking Portal. This open access also aligns with the City's enterprise technology standardization modernization objectives.

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SIGNATURE

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