

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

Date: November 5, 2024

To: General Government Committee

From: Chief Technology Officer and Chief Procurement Officer

Wards: All

REASON FOR CONFIDENTIAL INFORMATION

The attachments to this report are about criteria to be applied to negotiations carried on or to be carried on by or on behalf of the City of Toronto and contain technical and commercial information supplied in confidence to the City of Toronto, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

SUMMARY

The purpose of this report is to request City Council authority to negotiate and enter into a non-competitive contract with Esri Canada Limited for the provision of proprietary Geographic Information System (GIS) software licences, cloud subscription and related maintenance. Technology Services sought initial City Council authority in April 2024 (2024.GG11.10) to support continuity of GIS services while it completed work to assess future staff capability requirements and long-term GIS capability goals. With the assessment now complete, Technology Services is returning to General Government Committee to seek the authority for those future staff capability requirements, ensuring continuity of service. Further, the City of Toronto is in the process of negotiating an enterprise agreement with the supplier as the supplier is changing its service offering to one that assigns one license to a named user (the current model allows for one license to be assigned to multiple users). The enterprise agreement for the service offering aims to secure competitive, fixed pricing.

Mapping City data through GIS allows City staff, Councillors, and residents to visualize trends and patterns, making it easier to identify areas needing infrastructure upgrades

or track environmental changes over time. It also improves public engagement by helping residents access City facilities and programs while allowing City staff to allocate resources better and manage assets for more efficient service delivery and maintenance.

With a growing emphasis on visualizing data through maps, this report requests authorization to secure a new contract with the supplier, ensuring operational stability and supporting growth across City divisions for three (3) years from 2025-2027. 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:

1. 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 three (3) year period, for up to the total amounts set out in Confidential Attachment 1.
2. City Council adopt the confidential instructions to staff in Confidential Attachment 1.
3. City Council directs that Confidential Attachment 1 remain confidential at this time as it pertains to criteria to be applied to negotiations carried on or to be carried on by or on behalf of the City of Toronto and be made public at the discretion of the Chief Procurement Officer following the execution of the contract authorized by recommendation 1.

FINANCIAL IMPACT

Financial Impact is included in Confidential Attachment 1.

DECISION HISTORY

On April 17, 2024, City Council authorized the Chief Technology Officer to negotiate and execute a non-competitive contract with Esri Canada Limited to purchase proprietary Geographic Information System 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). [Agenda Item History - Item 2024.GG11.10](#)

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

Background

GIS software is crucial for spatial analysis and data-driven decision-making in City operations, supporting essential services like 911 dispatch, urban planning, transit management, utility coordination, and affordable housing. It is also deeply integrated into city-wide systems, including Elections management and Toronto Water's infrastructure projects, which involve nearly \$6 billion in capital works and an asset inventory of over 2.2 million records.

At the time of writing this report, approximately 6,000 City staff across 39 divisions use Esri software to power 90 public-facing mapping applications. These include Toronto Maps, the Open Data Portal, PlowTO, Vision Zero, and the Development Application Information Centre. The software also serves as the standard for Quickmaps, a user-

friendly, accessible platform for mapping on toronto.ca, and underpins the City's growing geospatial needs.

Mapping City data allows staff, Councillors, and residents to visualize trends and patterns, making it easier to identify areas needing infrastructure upgrades or track environmental changes over time. It also improves public engagement by helping residents access City facilities and programs while allowing City staff to allocate resources better and manage assets for more efficient service delivery and maintenance.

This report supports the growth of maps as the City increasingly uses data-driven insights for decision-making, emphasizing the importance of visualizing information through maps.

Authority to enter into a non-competitive agreement and negotiations with the supplier pertaining to an enterprise agreement

Technology Services sought initial City Council authority in April 2024 (2024.GG11.10) to support continuity of GIS services while it completed work to assess future staff capability requirements and long-term GIS capability goals. With the assessment now complete, Technology Services is returning to General Government Committee to seek the authority for those future staff capability requirements, ensuring continuity of service.

The City of Toronto is in the process of negotiating an enterprise agreement with the supplier. The supplier is changing its service offering to one that assigns one license to a named user (the current model allows for one license to be assigned to multiple users). The enterprise agreement for the service offering aims to secure competitive, fixed pricing. Therefore, while the enterprise agreement is being negotiated, City staff seek City Council authority to enter into a non-competitive agreement with the supplier to ensure continuity of services. The financial costs enclosed in Confidential Attachment 1 assume an enterprise agreement is finalized. The financial impact outlined in Confidential Attachment 1 is estimated based on current pricing, as negotiations are still ongoing at the time of writing this report. Financial costs based on this estimate will vary based on divisional operational requirements. Should there be delays with the enterprise agreement, the City will limit its spending to essential operational expenses until the agreement is in place.

A 2024 market scan by City staff identified Esri as the leading geospatial provider, widely used in Toronto, the Greater Toronto and Hamilton Area, the Province of Ontario, and the Government of Canada. Despite being proprietary, Esri's platform supports open standards and integrates smoothly with industry-standard APIs.

Digital Infrastructure Strategic Framework Impact Statement

The Digital Infrastructure Strategic Framework (DISF) is a corporate-wide and principles-based strategy, adopted by Toronto City Council, that provides overall direction and guidance for Digital Infrastructure Initiatives. The recommendations of this report align with the DISF, including the following Strategic Priorities:

Digital Transformation

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 within report will ensure the continued and uninterrupted use of software that plays a critical role in the delivery of 90 public-facing mapping applications, in addition to supporting desktop GIS users across the Corporation.

Data Governance

The Esri platform facilitates data sharing and supports evidence-based decision-making, organizational efficiency, and improved service delivery including the provision of authoritative geospatial data for all mapping on Toronto.ca.

Open Standards and Interoperability

While the core Esri platform is proprietary, data and service access adhere to the industry's open standards and APIs.

CONTACT

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SIGNATURE

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ATTACHMENTS

Confidential Attachment 1