

## SOLE SOURCE COMPUTRONIX AGREEMENT

### RECOMMENDATION

That the agreement between the City of Edmonton and Computronix (Canada) Ltd., for an amount not to exceed \$3,000,000 annually (GST excluded), for a period not to exceed 10 years, be approved, and that the agreement is in form and content acceptable to the City Manager.

<b>Requested Council Action</b>		<b>Decision required</b>	
<b>ConnectEdmonton's Guiding Principle</b>		<b>ConnectEdmonton Strategic Goals</b>	
<b>CONNECTED</b> This unifies our work as we achieve our strategic goals.		N/A	
<b>City Plan Values</b>	N/A		
<b>City Plan Big City Move(s)</b>	N/A	<b>Relationship to Council's Strategic Priorities</b>	Conditions for service success
<b>Corporate Business Plan</b>	Managing the corporation		
<b>Council Policy, Program or Project Relationships</b>	<ul style="list-style-type: none"> <li>City Administration Bylaw 16620</li> </ul>		
<b>Related Council Discussions</b>	<ul style="list-style-type: none"> <li>CR_6113 - 2019 POSSE Enterprise Agreement - March 4, 2019</li> </ul>		

### Executive Summary

- The current Computronix Enterprise Agreement will expire on November 20, 2022. Administration requires Executive Committee approval to execute a new contract with Computronix for up to 10 years.

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- The recommended agreement will ensure the City can continue to use POSSE and other solutions from Computronix as its primary application for digital business processes and enhanced business functionality.
- The City of Edmonton developed POSSE and later sold it to Computronix in 1995. Given the longstanding history, the City benefits in many ways from the partnership, including favorable licensing conditions and pricing, as well as many customizations that are ingrained in City business processes.

## REPORT

Computronix is the manufacturer of a number of digital products that are used across the corporation that support a variety of core services and programs. One of the primary applications in use is POSSE, which is used across the organization in support of:

- Council and public correspondence;
- Council, Committee and Board meeting management and correspondence;
- Development, building and inspection permits;
- Land development and grant applications, acquisition and appraisals;
- Business, vehicle for hire, pet and cannabis licensing;
- Fire Rescue Services: permits and inspections;
- Waste Services: permits and approvals;
- Transit Services: lost and found, busker permits and incident investigation;
- EPCOR and Drainage: notification and approval management; and
- Bylaw Enforcement.

In addition to POSSE, the City utilizes other Computronix solutions, such as:

- ePlans Subscription License;
- POSSE Mobile License; and
- POSSE Enterprise Software License.

The City's POSSE Enterprise software licenses are also used by other affiliated organizations, including EPCOR, to track the history of infrastructure.

The Computronix Enterprise Agreement will expire on November 20, 2022. Executing a new contract will ensure that POSSE is supported and secure, including maintaining continuity of many public-facing core services and programs. It will also ensure flexibility and time to assess the City's use of enterprise applications, including POSSE, to determine their existing and long-term suitability to fulfill current and future corporate needs. The Enterprise Commons program will evaluate these workflows in the future, but until that assessment can occur, POSSE remains the primary application for digital business processes and enhanced business functionality.

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### History

POSSE was developed jointly by the City and Computronix, an Edmonton-based company, in 1995. As Computronix was under contract, the application was 100 per cent owned by the City. In 1997, with agreement from the City, Computronix created a commercial version of the product and began marketing it to other organizations.

POSSE is one of four enterprise applications used across the City for numerous business processes and services. History has indicated no issues in the City's working relationship with Computronix; Computronix is a trusted provider and partner.

Computronix is a local technology company headquartered in Edmonton. Executing a new contract between the City and Computronix supports the local economy and technology sector. The City of Edmonton has won commendations related to its advancement and use of POSSE to enable efficient and effective service delivery. POSSE has enabled streamlined services that reduce barriers to investment in Edmonton. It improves quality of life and economic vibrancy by simplifying local government requirements to build homes and attract and grow businesses. Improvements made to the permit and licensing processes between 2018 and 2021 saved businesses 260,933 days and an estimated \$4.6 million annually.

### Current State (Relation to Enterprise Commons)

POSSE provides a stable foundation for several business transformation initiatives taking place in alignment with the Enterprise Commons project. As part of that transformation, a robust assessment will determine its continued use in its current or modified form, or an alternative to POSSE.

POSSE is considered a critical application for City service delivery and outage would impact the delivery of many City services. Divesting from POSSE would require a multi-year endeavour to ensure there is no interruption in service delivery for staff, affiliated civic agencies and Edmontonians. Administration anticipates continued growth in the use of digital products, like the POSSE system, to support improvements to service delivery, resident experience, programs and services. Planned initiatives include:

- Urban Planning & Economy Service Transformation - to improve planning and development processes and customer experience.
- Zoning Bylaw Renewal - implementation of a new zoning bylaw and associated technology updates to streamline land development and permit services
- Digital Services - to expand and modernize online services.
- Maintaining technology enablers to support regular business changes and growth of digital services, system security and application currency.
- Ongoing legislative, regulatory and bylaw changes that affect land development and zoning, safety codes, licensing, appeals, bylaw, and grant programs and services running on the POSSE system.

## **SOLE SOURCE COMPUTRONIX AGREEMENT**

Extending the agreement between the City and Computronix will provide the City with the flexibility to evaluate opportunities and develop innovative solutions that improve the customer experience for Edmontonians.

### **Justification for Recommendation**

Typically, software companies may offer slight discounts in licensing costs as the number of users increases. However, under the City's agreement with Computronix, the City will have the ability to expand the use of POSSE with no additional licensing charges.

In addition to benefiting from a favourable licensing agreement, the version of POSSE used in the City of Edmonton is highly customized. Many business processes are ingrained in POSSE and are imperative to key process flows. Computronix is the only supplier that can sell and support the POSSE products (Attachment 1).

### **Budget/Financial Implications**

The cost of renewing the agreement with Computronix for another 10 years is an amount not to exceed \$3 million annually. The funds will be allocated to other approved initiatives if the cost for Computronix licensing and services is less than the requested amount.

The breakdown of \$3 million is as follows:

- Approximately \$470,000 for annual software licensing and support maintenance, including access to new versions and critical security updates.
- Approximately \$1.43 million for professional services as required to support regulatory obligations, business enhancements and the delivery of innovative programs and services.
- The remaining \$1.1 million of annual funds will be used to acquire, develop and implement automated workflow enhancements and software modules as requirements arise.

Funding for \$470,000 of annual maintenance is included in the base operating budget for the Open City and Technology branch, and the remaining \$2.53 million annually is funded through capital and operating budgets of departments using Computronix services.

### **Legal Implications**

As per the City Administration Bylaw 16620, agreements over \$1,000,000 that do not arise from a competitive procurement process must be approved by the appropriate Committee of Council.

The City is subject to trade agreements that require an open competitive process for procurements of this value, unless a trade agreement exemption applies. For this procurement, the sole source exemption in each trade agreement applies.

## **COMMUNITY INSIGHT**

Administration did not complete public engagement for this report because the recommendation is based on internal technical requirements.

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### **GBA+**

This agreement supports ongoing expansion and improvement of digital services offered by the City of Edmonton. Improved access to services, and reduced permitting waiting times and costs mitigate barriers to inclusion and to support equality of outcomes for marginalized groups.

### **ATTACHMENT**

1. POSSE Sole Provider Confirmation