

Sole Source Request - Yellow Pencil Four-Year Contract

Recommendation

That a sole source agreement between the City of Edmonton and Yellow Pencil Inc., for the provision of web service and content management services, for an amount not to exceed \$4 million (excluding GST), over four years starting July 1, 2021, as outlined in the November 9, 2020, Communications and Engagement report CE00097, be approved, and that the agreement be in form and content acceptable to the City Manager.

Executive Summary

Yellow Pencil is a private provider of content management and presentation services that is currently supporting the technology, infrastructure and data storage needs required to support and maintain core web infrastructure at The City of Edmonton. This includes public facing web pages (edmonton.ca), intranet (Onecity), and service design and transformation services.

Administration recommends entering into a new non-competitive agreement for four years with Yellow Pencil for professional services. This follows a recently completed competitive selection process for the underlying technological infrastructure for web services that was awarded to Yellow Pencil.

Yellow Pencil's experience and development of OnPoint Suite (a proprietary platform integration of Drupal, Google and Box) makes them uniquely positioned in the market to provide the City with the required services.

The total agreement cost of \$4 million (excluding GST) would be covered within existing and future operating budgets.

Report

Yellow Pencil is a private provider of content management and presentation services that is currently supporting the technology, infrastructure and data storage needs required to support and maintain core web infrastructure at The City of Edmonton. Yellow Pencil's OnPoint Suite incorporates Drupal CMS, Google Cloud Platform, Google Dialogflow, and Box (Cloud Document and Digital Asset Management) as the

City's Content Management System for its external websites, including www.edmonton.ca and intranet (Onecity).

Yellow Pencil is Google's primary partner in Canada for the public sector and is the main Box go-to-market partner in Canada. They have also uniquely integrated Drupal, Box, and Google Cloud Platform into OnPoint Suite to provide end-to-end, high-availability information publishing capabilities. These are unique and high-value feature sets in their OnPoint Suite platform that are not available from another provider since it is proprietary to Yellow Pencil.

In March 2020, the City procured this solution through a request for proposal process by which Yellow Pencil's bid emerged as the successful one from a group of 19 competing bids. Yellow Pencil is currently migrating both www.edmonton.ca and OneCity Intranet to this new platform.

Over the last ten years, City website unique visits have increased from under 1 million per to over 23 million per year, demonstrating the value of the investment the City made in the current Edmonton.ca platform. Yellow Pencil's unique distribution of Drupal, OnPoint Suite WebOps, is used by many jurisdictions across Canada, including the Government of Alberta, Alberta Gaming, Liquor and Cannabis, Alberta Union of Provincial Employees, Royal Roads University, Ontario Trillium Foundation, Saskatchewan Workers' Compensation Board, and more.

In addition to operational support, the City has sought out Yellow Pencil's expertise in web development and digital service design to assist in several project activities. One such example is the anticipated replatform project, which will replace the legacy OpenText platform with Drupal/OnPoint & Box SaaS, which is on track to be ready for release in Q2 2021.

Market Survey

At present, Yellow Pencil is the only provider available in the market for Drupal/OnPoint with Box support and GCP solutions. Yellow Pencil is in a unique market position because of this combination of CMS elements:

- Drupal orientation;
- Google and Drupal; and
- Box and Drupal.

Entering into a four-year, sole source agreement with Yellow Pencil will provide the City with the services required to continue meeting the needs of end-users of the Drupal/OnPoint and Box solution while the market matures to a point where another request for proposal for future service providers may be possible.

Budget/Financial Implications

The recommended agreement with Yellow Pencil will result in a maximum \$4 million (excluding GST) commitment over four years and is comprised of \$1.4 million in service fees, each not exceeding \$350,000 per year, as well as a total of up to \$2.6 million for project activities to drive new digital service delivery, and better meet the needs of citizens at a lower total cost to the City.

\$1.6 million is covered in existing operating budgets for the service and maintenance of our websites. The additional \$2.4 million provides both headroom and a cap for digital service delivery improvements and relies on business areas to have the requisite budget before funding any associated improvements that build towards this cap.

Legal Implications

City Administration Bylaw 16620 requires agreements over \$500,000 that do not arise from a competitive procurement process to be approved by the appropriate Committee of Council.

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

Corporate Outcomes and Performance Management

Corporate Outcome(s): Edmontonians are connected to the city in which they live, work and play.			
Outcome(s)	Measure(s)	Result(s)	Target(s)
Edmontonians know how and where to access information digitally about City services, facilities, programs, and participation in local government.	# of page views	edmonton.ca (2019): 23.11M unique visits total 3.45M visits via Google searches 195K visits via social links 768K visits via marketing URLs 11.2K updates to content in CMS edmonton.ca (to end of of Oct 2020) 15.70M unique visits 884K visits for COVID-19 info 2.90M visits via Google searches 130K visits via social links 625K visits via marketing URLs 19.0K updates to content in CMS	Increase

Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations
Competition	Risk that other vendors will wish to bid on this contract	1	2	2 - Low	The City has undertaken due diligence and no other service provider is able to offer the same service as Yellow Pencil at this time.	The City will continue to scan the market environment to determine if another service provider may offer better service at the expiry of this contract.
If the recommendation is NOT approved:						
Corporate Governance	Risk that service levels will be impacted	2	5	10 - Medium	The City has implemented an integrated cost sharing approach to ensure the contract can be renewed without an increase to the City's budget.	The City will continue to make use of technology to increase efficiencies in service delivery.

Others Reviewing this Report

- M. Persson, Deputy City Manager and Chief Financial Officer, Financial and Corporate Services
- B. Andriachuk, City Solicitor