

Single Source Google Services

Recommendations

That Cloud Services agreements, for Google Licensing, Support and Cloud Platform Services, for an amount not to exceed \$9.6 million (including GST) over five years, as outlined in Attachment 1 of the May 27, 2021, Financial and Corporate Services report FCS00304, be approved, and that the agreements be in form and content acceptable to the City Manager.

Executive Summary

Since 2013, Administration has used Google Workspace (formerly G-Suite) as its primary productivity suite, supporting the City's day-to-day activities by enabling staff collaboration to achieve the City's goals. This report requests approval to renew/amend the Google Enterprise and Cloud Platform Services Agreements with Google for a five-year term in an amount not to exceed a total of \$9.6 million (CAD).

Report

Google Enterprise and Cloud Platform Services allows City staff to continue using the Google Workplace Office Suite of tools including, but not limited to, email, calendar, spreadsheets, written documents and presentations. The Cloud Services agreement also provides access to various services such as artificial intelligence, machine learning, cloud storage and an array of developer tools. The City of Edmonton began using Google's services in 2013.

As a result of the City of Edmonton's ongoing partnership with Google, Administration has negotiated a net zero-cost increase proposal for the City over the next five years. The proposed agreement requires Executive Committee approval to proceed.

This report seeks the approval of two agreements with Google. These are as follows:

- Renewal of the current Workplace agreement with Google Inc. which began in 2016 and will expire in March of 2022.
- An agreement for Google's Cloud Platform services, formalizing and attaining better pricing for the City of Edmonton's current usage of Google Cloud Services, such as cloud storage (which will enable Enterprise Commons), Google Queries, Artificial Intelligence, machine learning and language processing.

By combining the approval of these two agreements, the City can leverage its 13-year partnership with Google to provide Workplace services to attain savings on both Workplace licences and Cloud Services.

While other options are available in the market to purchase Google Workplace licensing, and Cloud Platform Services, Administration has found that the terms and conditions offered by Google are the most cost-effective for the City, and provide Administration with the most direct and flexible means of supporting operations.

Background

In 2010, Administration examined the City of Edmonton's desktop environment, and Google Apps for Business (rebranded by Google as G-Suite, and again as Google Workspace) was selected as the preferred desktop productivity platform for the City. Google Calendar, Gmail, Contact, Hangouts, Google+ (now Currents) and Drive were deployed to increase staff communication and collaboration across the City of Edmonton.

On August 24, 2011, Executive Committee provided approval to enter into a sole source agreement, in an amount not to exceed \$5 million, and a period not to exceed five years, with Google Inc., for the provision of Canada's first municipal enterprise agreement with Google Inc. The City's formal transition to G-Suite was completed in April 2013.

On September 8, 2014, Audit Committee considered Corporate Services report CR_1615, Administration Update on the Google Procurement Process Review, which highlighted continued opportunities for Administration's adoption of Google G-Suite.

At the November 22, 2016, Executive Committee meeting, approval was given to enter into a five-year agreement, not to exceed \$7.5 million for Google G-Suite Licences. Examples of the effective, efficient and agile operations that this agreement has leveraged include:

- the stability of the price and functionality of the tools that support the City's operations
- The ability to transition to work from home with minimum disruption
- A substantial per-licence savings over other operating platforms, such as Microsoft Office programs

In 2020, during the Enterprise Commons planning phase, the project team selected Google Cloud to host elements of Enterprise Commons with the added benefits of digital integration and industry-leading security, third-party audits and certifications, and legal commitments to support the City's strict regulatory and cyber security requirements.

Corporate Outcomes and Performance Management

Corporate Outcome(s): The City of Edmonton’s technology and data are leveraged to enable quality decision-making and enhance innovative service delivery.			
Outcome(s)	Measure(s)	Result(s)	Target(s)
The City of Edmonton’s technology and data are leveraged to enable quality decision-making and enhance innovative service delivery.	Number of Microsoft Licences Reduce reliance on Microsoft products within City workflows, adopting new Change Management Initiatives.	2021 Microsoft licences: 3,781, decreased 7,200 Licences since 2010	Continued reduction

Budget/Financial Implications

All costs associated with the maintenance of Google are included in existing operating budgets.

Google Workspace is widely used across the organization, and the cost to return instead to widespread Microsoft Office use at this stage is cost-prohibitive.

Legal Implications

As per the City Administration Bylaw 16620, agreements exceeding \$500,000 that do not arrive from a competitive procurement process must be approved by the appropriate Committee of Council.

Risk Assessment

Risk if the Recommendation is Approved

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations
Financial	As the Contract is in USD currency, economic fluctuations have the potential to increase costs to the City of Edmonton.	3 - Possible	2 - Moderate	6 - Low	The current agreement allows for bulk payment at any time if exchange rates provide an opportunity to save money.	Negotiate preferred payment provisions in the new Google Agreement to allow the City of Edmonton to pay out the agreement at any time should the City anticipate future market shifts.

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Legal	There is no applicable exemption. As a result, approval of this single source procurement may not comply with trade agreements.	2 - Unlikely	1- Minor	3 - Low	n/a	Ensure there is a strong business rationale to support direct contract award without open competition.
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Risk if the Recommendation is Not Approved

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations
Security	The Non-renewal of the contract would result in the suspension of all Google licensing and related services at the end of the current term (Dec 31, 2021), negating or removing the majority of Google functionality and City owned data would need to be removed and stored elsewhere.	4 - Likely	4 - Severe	16 - High	Some storage available outside of Google.	Extend the Google Agreement, promote use of Google across the organization.
Service / Professional Liability and Public Perception	Google Workplace is the foundational office suite of Administration. Non-renewal of this contract would result in significant impact to the organization's ability to achieve the day-to-day service levels.	4 - Likely	4 - Severe	16 - High	While some Microsoft licences remain in the city, they only support an outdated version with no support or security assurances. As such, there is no near-term mitigation.	Extend the Google Agreement, tailoring licence usage to each business area.
Financial	The City would have until the end of 2021 to switch its enterprise systems supporting all operations to a comparable provider.	5 - Almost Certain	4 - Severe	20 - High	While some Microsoft licenses remain in the city, they only support an outdated version with no support or security assurances. As such, there is no near-term mitigation.	Begin negotiations and potential change management planning for another service provider and platform. In addition to MS licensing costs, a 2016 study estimated transition costs back to MS in the \$5-8 million range.

Attachments

1. Google Inc. Agreement Details

Others Reviewing this Report

- C. Owen, Deputy City Manager, Communications and Engagement
- G. Cebryk, Deputy City Manager, City Operations
- A. Laughlin, Deputy City Manager, Integrated Infrastructure Services
- K. Armstrong, Deputy City Manager, Employee Services
- R. Smyth, Deputy City Manager, Citizen Services
- S. McCabe, Deputy City Manager, Urban Planning and Economy
- K. Fallis-Howell, Acting City Solicitor