

City of Mississauga Corporate Report



10.2

Date: July 16, 2021

To: Chair and Members of General Committee

From: Shari Lichterman, CPA, CMA, Commissioner of
Corporate Services and Chief Financial Officer

Originator's files:

Meeting date:
September 8, 2021

Subject

**Single Source Contract Extension of Questica Software Inc. Integrated Budgeting System
(File Ref: PRC003111 / FA.49.828-11)**

Recommendation

1. That the single source procurement of maintenance and support services for the Questica Integrated Budgeting System, including new modules and professional services, for a period of five (5) years, as detailed in the corporate report entitled "Single Source Contract Extension of Questica Software Inc. Integrated Budgeting System", dated July 16, 2021, from the Commissioner of Corporate Services and Chief Financial Officer ("Purchase"), File Ref: PRC003111; FA.49.828-11 be approved;
2. That the Purchasing Agent or designate be authorized to execute all contracts and related ancillary documents with respect to the Purchase between the City and Questica Software Inc. for an estimated amount of \$425,000 exclusive of taxes, in accordance with the City's Purchasing By-law 374-06, as amended;
3. That the Purchasing Agent or designate be authorized to execute the necessary amendments to increase the value of the contract between the City and Questica Software Inc. for additional products, software licensing, subscription services, professional services, and maintenance and support, including additional features and modules, as required by the City for the purpose of accommodating growth or to ensure business continuity, if the funding for such contract increase has been approved by Council;
4. That the Questica Integrated Budgeting System be approved as a City Standard for a period of five (5) years in accordance with the City's Procurement By-law 374-06, as amended.

Executive Summary

- In 2011, the City completed a two (2) step competitive bid process, Request for Expression of Interest (RFEI) and Request for Proposal (RFP), (FA.49.1084-10, FA.49.828-11), to procure an integrated business planning and budgeting system.

- After a comprehensive evaluation process, Questica Inc. was awarded a ten (10) year contract to supply software, on-site maintenance support, implementation and consulting services for the period of November 24, 2011 to November 23, 2021.
- The maintenance and support contract is expiring on November 23, 2021 and Questica Software Inc. has provided a 45% cost reduction for maintenance and support and a 75% cost reduction on the new Open Book module, for the proposed 5-year contract extension.
- The extension term contract for Questica Software Inc. services needs Council approval per Purchasing By-law 374-06 Schedule B for High Value Non-competitive Acquisitions over \$100,000.

Background

In 2011, the City completed a two (2) step competitive bid process, Request for Expression of Interest and Request for Proposal (FA.49.1084-10, FA.49.828-11), to procure an integrated business planning and budgeting system.

After a comprehensive evaluation process, Questica Inc. was awarded a ten (10) year contract to supply software, on-site maintenance support, and consulting services for the period of November 24, 2011 to November 23, 2021.

The system was implemented in August 2012 and improved efficiencies and data accuracy through the elimination of many spreadsheets and manually extensive business planning and budgeting processes.

Over the last nine (9) years, Questica Software Inc. has provided technical support, software upgrades and upgrade services as part of the annual maintenance and support fees, which allowed the City to configure the system to meet changing business requirements and stay current with features and technology.

On February 19, 2019, Questica Inc. continued into the jurisdiction of British Columbia from Ontario with the name Questica Software Inc.

Today, Questica Software Inc. is a leader in budgeting preparation software for over 800 public sector agencies across Canada and the United States. Comparative Canadian municipalities using the Questica Integrated Budgeting System include City of Brampton, City of Edmonton, City of Hamilton and Metro Vancouver.

The maintenance and support contract is expiring on November 23, 2021 and Questica Software Inc. has provided a cost effective 5-year contract extension proposal.

Comments

The City has used the Questica Integrated Budgeting System to manage the business planning and budgeting processes for 1.01 billion dollars of annual operating budget and 1.9 billion dollars of annual capital budget. The system generates four-year operating and ten-year capital budget forecasts and is a source to the creation of the City's annual budget book of which the City has been the recipient of the Government Finance Officers Associations (GFOA) Distinguished Budget Presentation Award for the past 31 years.

Questica Software Inc. continues to evolve the system by offering additional modules such as OpenBook, which provides features to showcase financial data with interactive charts, tables and graphics through all social channels using mobile devices.

For the past ten (10) years, the annual maintenance and support fee which includes software upgrades and upgrade professional services has remained fix at \$30,900. Due to our ten (10) year relationship, Questica Software Inc. has provided the City, for this next 5-year contract extension term, a forty-five (45) percent discount on the current maintenance and support pricing as well as a seventy-five (75) percent discount for the OpenBook module.

Questica Software Inc. has been declared as a City Standard in the annual report to Council and needs to continue to be a City Standard for the next 5 years given that budget has not yet been approved to replace this system.

During this 5-year extension term, the City will evaluate solutions in the market through a competitive procurement process and/or the feasibility of incorporating the functionality within the SAP portfolio. Replacement of this system will be subject to this evaluation and budget approval.

Purchasing By-law Authorization

The recommendation in this report is made in accordance with Purchasing By-law 374-06, Schedule "A" (1) using the Single/Sole Source Acquisition justification clause shown below, which has been reviewed and approved by Materiel Management:

- (b) (xi) A need exists for compatibility with, or for the maintenance and support of a City Standard and there are no reasonable alternatives, substitutes, or accommodations

Information Technology, Legal Services and Materiel Management staff are collaborating to establish the detailed requirements, negotiate the final arrangements and prepare the requisite forms including the contract agreements.

Financial Impact

The total estimated value of the existing contract will increase by approximately \$425,000.00 from \$654,493.00 to \$1,079,493.00 as a result for the new five (5) year contract term (summarized in the table below). The existing contract is funded in the 2021 approved IT operating budget using cost centre 715601-22352. The recommended contract extension will

be funded from IT operating budget for 2021 and beyond, with any increases subject to budget approvals. The financial detail for the contract can be found in Appendix 1.

Description	2022	2023	2024	2025	2026	Total Cost
Contract extension with Questica Software Inc. Budget System Maintenance and Support including: <ul style="list-style-type: none">• Unlimited license in Operating, Capital and Personnel• Unlimited Read-Only• Financial Statements• Allocations• Performance• Statistics• OpenBook	\$45,000	\$70,000	\$70,000	\$70,000	\$70,000	\$325,000
Optional professional services	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000
TOTAL	\$65,000	\$90,000	\$90,000	\$90,000	\$90,000	\$425,000

Conclusion

An offer representing good value has been received from Questica Software Inc. for maintenance and support services for a five (5) year term. This report recommends the award to Questica Software Inc. on a single source basis.

Attachments

Appendix 1: Statement of Work



Shari Lichterman, CPA, CMA, Commissioner of Corporate Services and Chief Financial Officer
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