

City of Mississauga Corporate Report



11.4.

Date: June 30, 2020

To: Mayor and Members of Council

From: Gary Kent, CPA, CGA, ICD.D, Commissioner of
Corporate Services and Chief Financial Officer

Originator's files:

Meeting date:
August 5, 2020

Subject

Recommendation of Single Source Procurement for DocuSign Enterprise Electronic Signature Solution (File Ref. PRC002434)

Recommendation

1. That Council approve the single source procurement for DocuSign Software as a Service, including associated envelopes, professional services, training, and maintenance and support for a period of three (3) years, as detailed in the corporate report entitled "Recommendation of Single Source Procurement for DocuSign Enterprise Electronic Signature Solution (File Ref. PRC002434)", dated June 30, 2020, from the Commissioner of Corporate Services and Chief Financial Officer ("Purchase"), File Ref. PRC002434;
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 DocuSign, Inc. for an estimated amount of \$560,064 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 DocuSign, Inc. for additional products, professional services, maintenance and support, including upgrades and additional features, for the purpose of accommodating growth and for better alignment and consistency between customer service areas, reception procedures and locations, if the funding for such contract increase has been approved by Council.

Report Highlights

- An electronic signature attaches an encoded signature to an electronic document. Electronic signatures can be legally binding and there are several software products that can be used to do electronic Signatures.
- The City of Mississauga had an existing plan to implement an enterprise-wide electronic signature solution; the current COVID-19 crisis resulted in an urgent need

- to implement such a solution.
- The City of Mississauga has tens of thousands of instances where physical signatures are used each year in regular operations. Many of these can be accomplished more easily, more securely and in a manner that ensures physical distancing.
 - City of Mississauga's policy on Electronic Signatures 03-02-10 allows electronic signatures to be used for all documents that are City-owned or created, including but not limited to forms, applications, agreements, waivers, permits, reports and correspondence where there is a need for a signature from an employee and/or the public and only when statutory or regulatory requirements allow for Electronic Signatures.
 - DocuSign meets all security, architecture and privacy requirements of the City.

Background

The management of documents and transactions in the City increasingly relies on electronic documents which are 'touchless' in nature. When placed within the context of the COVID-19 pandemic, electronic documents become the preferred method for supporting service delivery. The use of a standard, seamless, enterprise-wide electronic signature solution will be a mandatory pre-requisite in supporting service delivery in 'the new normal'. The current COVID-19 pandemic has accelerated the planned procurement of an electronic signature technology solution to satisfy the demand for use of electronic signatures by key City essential services.

An electronic signature refers to a process of attaching an encoded signature to an electronic document. Electronic signatures can be legally binding and there are several IT solutions that enable implementation of electronic Signatures.

The majority of divisions within the City continue to use physical signatures as part of their service delivery adding time, cost (document storage facilities, courier costs, etc.) and unnecessary risk of loss while delivering physical documents. Currently, key business areas urgently require an electronic signature solution to maintain service delivery of essential services. These service areas include:

- Legal Services
- Courts
- Planning and Building
- Committee of Adjustment
- Materiel Management
- Employee Health Services

The IT Technology Roadmap had identified the requirement for electronic signatures at the City to keep pace with the technical evolution necessary to support improved, efficient, and effective delivery of services. The journey to e-signature solution use began with the development of a corporate policy for Electronic Signatures (Policy # 03-02-10) which became effective in November 2019.

Comments

The City currently processes conservatively tens of thousands of physical signatures per year. The majority of these can be replaced with a safe and secure electronic alternative that enables physical distancing. This City of Mississauga policy on Electronic Signatures 03-02-10 enables electronic signatures to be used for all documents that are City-owned or created, including but not limited to forms, applications, agreements, waivers, permits, reports and correspondence where there is a need for a signature from an employee and/or the public and only when statutory or regulatory requirements allow for Electronic Signatures.

The City currently has an existing contract for DocuSign through SAP Canada Inc. for a limited number of users (approx. 50) for the DocuSign Electronic Signature Solution which has been used by Human Resources and Finance over the past several years. DocuSign has also been an essential part of services rendered through the SAP suite of applications resulting in significant cost savings, more responsive service delivery, and establishing DocuSign as the 'preferred' e-signature solution at the City. Other municipalities have implemented DocuSign at a large scale across their enterprise to meet the needs of their residents. Notably, the City of Toronto currently uses approximately 80,000 DocuSign envelopes each year and has indicated that they plan to expand their use of DocuSign.

In DocuSign transactions, "envelopes" refer to electronic packages which contain recipient information, documents, document fields, and timestamps that indicate delivery progress. They also contain information about the sender, security and authentication information, and more.

The City's IT Architecture & Innovation, IT Systems & Security Team has tested DocuSign and conducted extensive assessment of its functionality, integration and interoperability with other City applications and has concluded that DocuSign is considered a good fit for the City. IT in collaboration with Legislative Services are proposing to enter into single source contract with DocuSign, Inc. for software and associated professional services to implement electronic signatures across the City.

This proposal was taken to the IT Architecture Review Board on June 3, 2020 and received approval from the board to proceed. The Architecture Team has also performed a thorough evaluation of DocuSign's architecture, security and privacy, and can safely recommend DocuSign for deployment throughout the City.

Some key mandatory features that DocuSign contains are:

- DocuSign is located in the Canadian Microsoft Azure Cloud and its communications are fully encrypted at rest and transit.
- DocuSign employs significant security protections for all customer data. Each customer has siloed environments protected. Utilizing Blob technology only the customer organization and staff can review their own data. Internal staff to DocuSign have no means to review customer data.

Given the uncertainty of the duration of the COVID-19 pandemic and the need to continue to deliver services across these divisions in a work-from-home environment, there is not sufficient time for a competitive procurement process. Materiel Management has reviewed and approved

the Single/Sole Source justification. IT and Legislative Services intend to enter into this non-competitive procurement contract for a three (3) year term.

Purchasing By-law Authorization

The recommendation in this report is made in accordance with Schedule "A" of the Purchasing By-law 374-06, Section 1 (b) (ii) The Goods and/or Services are available from more than one source, but there are good and sufficient reasons for selecting one supplier in particular, as follows:

- The Goods and/or Services are required as a result of an Emergency which would not reasonably permit the solicitation of competitive Bids.

Legislative Services, Information Technology, Legal Services and Materiel Management staff will collaborate to establish the detailed requirements, negotiate the final arrangements and prepare the agreements.

Financial Impact

Based on consultations with business areas, the financial impact of this initiative is approximately \$430,819 over three (3) years and an additional \$129,246 to accommodate growth and utilization. The total estimated cost of this initiative will be approximately \$560,064 over three (3) years, starting in 2020 and ending in 2023, as shown below.

\$503,870 in capital expenditure to be funded through account number 715527-20527 over three fiscal years and \$56,194 in operating expenditure to be funded through account number 715516-22549 over the same period.

Usage		Financial Impact			
		Year 1	Year 2	Year 3	3-Year Grand Total
		2020	2021	2022	
Division - Section	Estimated "envelopes" (transactions) per year*	Standard Edition	Standard Edition	Standard Edition	
Per envelope Cost		1.782	1.782	1.782	
Annual Envelope Estimate	50,000	89,100	89,100	89,100	267,300
Single Sign-on Feature		35,775	35,775	35,775	107,325
Annual Support and Maintenance		18,731	18,731	18,731	56,193
Total		143,606	143,606	143,606	430,818
Growth (at 30% including a prorated amount of Single Sign On and Annual Support and Maintenance)	15,000	43,082	43,082	43,082	129,246
Total	65,000	186,688	186,688	186,688	560,064


Conclusion

The City of Mississauga must begin to transition to paperless processes that rely on electronic signatures in order to reduce cost, reduce risk, increase efficiencies, and most importantly continue delivering essential services during and after the COVID-19 pandemic.

Therefore, this report recommends the purchase of DocuSign Software as a Service on a single source basis for a three (3) year term for a total estimated amount of \$560,064.

Appendix

Appendix 1 – Statement of Work

For 

Gary Kent, CPA, CGA, ICD.D, Commissioner of Corporate Services and Chief Financial Officer

Prepared by: Paul Burns, Manager, Information Technology, City Services