



Town of Newmarket
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Oracle Licensing – Non-Competitive Acquisition Staff Report

Report Number: 2019-31

Department(s): Information Technology, Procurement

Author(s): Mary-Anne Wigmore

Meeting Date: March 18, 2019

Recommendations

1. That the report entitled Oracle Licenses – Non-Competitive Acquisition dated March 3, 2019 be received; and,
2. That a non-competitive acquisition for Oracle Licences and Annual Support and Maintenance to Oracle Canada, ULC for a period of five (5) years, commencing in 2019, for an estimated amount of \$1,200,000.00 be approved; and,
3. That the non-competitive provisions of the Procurement Bylaw, specifically Section 13.6, Subsection (iii), as well as the Limited Tendering provisions of the applicable trade treaties, as described below, be considered in support of this acquisition; and,
4. That the Director, Information Technology Services and the Manager, Procurement Services be authorized to execute all required documentation; and,
5. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Purpose

To seek approval of a non-competitive acquisition for Oracle Licenses and Annual Support and Maintenance, to Oracle Canada, ULC for a period of five (5) years, commencing in year 2019 to year 2024 and for a total estimated amount of \$1,200,000.00 in accordance with the provisions of the Procurement Bylaw, Section 13.6, Subsection (iii) where compatibility with an existing product, equipment, facility or service is a paramount consideration and the provisions of the Canadian Free Trade Agreement (CFTA), Article 513, Paragraph (1), Section (b), Subsection (v) to ensure

compatibility with existing goods, or to maintain specialized goods that must be maintained by the manufacturer of those good or its representative. As well as the provisions of the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), Article 19.12, Paragraph (1) Section (c), Subsection (i) whereby additional deliveries by the original supplier of goods or services that were not included in the initial procurement if a change of supplier for such additional goods or services cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services or installation procured under the initial procurement.

Background

The Town has historically acquired Oracle licensing, support & maintenance to support the Town’s business and technology needs from Oracle Canada, ULC for the Town’s database management software solution which has been in place at the Town for over twenty (20) years. The Town has also historically acquired Oracle licensing, support and maintenance for the Town’s Enterprise Resource Planning (ERP) solution being JDEdwards, which has been in place for over sixteen (16) years, and which underwent a formal procurement process and awarded under Council report number 2001-31. The Oracle tools and products are also an integral part of the Information Technology (IT) Department’s suite of administrative tools that enable effective delivery of services.

In 2018 the Town also acquired a Tax solution by way of Single Source Contract and approved by Council dated April 30, 2018. The solution also requires Oracle licensing, support and maintenance.

As the above legacy solutions are at this time not intended to be replaced in the near future and the continued acquisition of Oracle license, support and maintenance is required by the Corporation in the everyday operation and maintenance of these solutions, formal approval is sought by way of this report.

Estimated Cost Summary:

Program or Type of Licence	1 Year Estimated Cost	5 Year Estimated	Description
Dev&Enterprise	\$19,045.74	\$95,228.70	Support/Maintenance for Oracle database licenses
Enterprise(3)	\$28,434.75	\$142,173.75	Support/Maintenance for Oracle database licenses
Standard	\$4,331.71	\$21,658.55	Support/Maintenance for Oracle database licenses
JDEdwards	\$94,333.41	\$471,667.05	Support/Maintenance for JDEdwards licenses

Enterprise	\$24,473.46	\$122,367.30	Support/Maintenance for Oracle database licenses
Total Annual	\$170,619.07	\$853,095.35	
Program Fee for TXM Solution		\$111,243.00	Purchase of Oracle Licenses for new Tax Billing Software (License & Support not included here but included as part of Enterprise and Standard above)
		\$964,335.35	
Contingency		\$235,664.65	Annual increases, additional licenses
Total Estimated Spend		\$ 1,200,000.00	

Discussion

While the consideration of a competitive acquisition is always of most importance, in the case of this acquisition, no reasonable alternative or substitute exists without a complete overhaul of the Town's solutions, which would need substantial consideration and planning before doing so, the Oracle suite of solutions is integral to the everyday operation of the Town's present business solutions.

Conclusion

Staff are confident that the justification to proceed with a non-competitive acquisition for Oracle licences, support and maintenance with Oracle Canada, ULC is sound and in line with the single and sole source provisions of the Procurement By-Law as well as the applicable trade treaties, being the Canadian Free Trade Agreement (CFTA) and the Canada-European Union Comprehensive and Economic Trade Agreement (CETA).

Business Plan and Strategic Plan Linkages

Well Equipped and Managed: Provide efficient, effective and environmentally sound maintenance services to an appropriate level that achieves Council and/or Provincially mandated services levels, which meet public health and safety requirements and enhances quality of life while ensuring that system capital assets retain their value and are managed and funded according to sustainable, lifecycle based principles and practices.

Consultation

Procurement Services and Information Technology have been consulted on this report.

Human Resource Considerations

All project work will be managed by Oracle Canada, ULC and the Town's Information Technology staff. No additional human resources are required.

Budget Impact

Sufficient funds have been allocated for this project, as follows;

Annual Costs of \$170,619, plus annual increases, is covered in IT's base budget under the software account, 13621.4482. The one-time implementation cost of \$111,240 is covered under IT's Capital program for software purchases. Funding for additional licenses may require budget approval.

Attachments

1. Town Council Electronic Extract – Date: June 24, 2002
2. Award of Single Source Contract Staff Report 2018-07

Approval

Lisa Lyons, Acting Commissioner, Corporate Services

Esther Armchuk, Acting Chief Administrative Officer

Contact

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