



Town of Newmarket
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Non-Competitive Renewal of Oracle Licensing Staff Report to Council

Report Number: 2024-62

Department(s): Information Technology, Legal and Procurement Services

Author(s): Tracy Assis, Manager, Procurement Services; Karen Reynar, Director, Legal and Procurement Services; and Karthik Venkataraman, Director, Information Technology Services

Meeting Date: October 21, 2024

Recommendations

1. That the report entitled “Non-Competitive Renewal of Oracle Licencing” dated October 21, 2024 be received; and,
2. That Oracle Canada ULC (“**Oracle**”) software licensing, along with related support and maintenance continue to be acquired on a non-competitive basis for the next five (5) years from October 2024 to October 2029, at an approximate cost of \$200,000 plus HST per year; and,
3. That the Director of Information Technology and the Manager, Procurement Services be authorized to execute any agreements or documents that are necessary; and,
4. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Purpose

The purpose of this report is to seek Council’s approval to continue to purchase Oracle on a non-competitive basis for the next five years. The approximate cost for the Town’s Oracle software licences and related support and maintenance for the next five years is \$200,000 plus HST per year.

Background

The Town's business and technology needs have depended upon Oracle for over twenty years

Many of the Town's business and technology solutions have depended upon Oracle for over twenty years. Oracle software is a robust database that provides comprehensive integration, scalability, and advanced analytics to support enterprise-wide business processes.

Council's most recent non-competitive acquisition approval is expiring

Council last approved a non-competitive acquisition of Oracle software licenses, and annual support and maintenance in 2019. That approval was for a five-year term and is now expiring.

Discussion

Council approval is required in accordance with the Town's Procurement Bylaw

Council approval for renewal for an additional five year term is required because the purchase is being done non-competitively and it exceeds \$100,000, which is the administrative approval threshold for non-competitive procurements in accordance with Schedule D, Table 5 of the Town's Procurement Bylaw 2014-27.

This non-competitive approval request is supported by the Town's Procurement Bylaw 2014-27 and by the applicable trade treaties.

Section 13.5(iii) of the Town's Procurement By-Law 2014-27 permits the non-competitive purchase of services where a supplier has a unique capability.

Similarly, Canadian Free Trade Agreement (CFTA), Article 513, Paragraph (1), Section (c) and the Comprehensive Economic and Trade Agreement (CETA); Chapter 19, Article 19.12, Paragraph (1), Section C permits additional deliveries of goods or services by the original supplier if a change of supplier cannot be made for economic or technical reasons and would cause significant inconvenience or substantial duplication of costs for the procuring entity.

Certain technology products must be purchased on a non-competitive basis in order to maintain the Town's operations

It is not ideal for the Town to be dependent on any one company for its business and technical operations. That said, moving away from incumbent technology is complicated and needs to be done carefully and thoughtfully, and some sole sourcing to maintain consistency of products in the IT environment is to be expected. This is also reflected in other municipalities, including at York Region, as described in a report from the

Commissioner of Finance at York Region dated September 19, 2019 regarding the establishment of certain standard technology products.

The Town continues to review the use of Oracle licencing for its technology needs

Staff are diligent about ensuring that the systems that are in place are the right ones, regardless of whether they are incumbent solutions. Staff regularly carry out market research to assess whether or not changes to the Town's technology are warranted, and will continue to do so.

Conclusion

Staff are seeking approval for the ongoing non-competitive purchase of Oracle licensing, support and maintenance for the next five years. This will ensure business continuity for many of the Town's technology solutions that rely upon Oracle.

Business Plan and Strategic Plan Linkages

This report aligns with the Town's core value of accountability by providing transparency regarding the purchase of goods by the Town in accordance with the Town's Procurement Bylaw 2014-27 and the applicable trade treaties.

Consultation

Staff from Legal and Procurement Services, and Information Technology Services collaborated in the preparation of this report.

Human Resource Considerations

None

Budget Impact

Sufficient funds have been allocated within approved budgets for the IT Services Department.

Attachments

None.

Approval

Tracy Assis, Manager, Procurement Services

Karen Reynar, Director, Legal and Procurement Services

Karthik Venkataraman, Director, Information Technology Services

Esther Armchuk, Commissioner, Corporate Services

Contact

For more information on this report, please contact Karthik Venkataraman, Director, IT Services at kvenkataraman@newmarket.ca or 905-953-5300 ext. 2307.

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