

Clause 14 in Report No. 9 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on May 25, 2017.

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Halogen Software Services Contract Renewal

Committee of the Whole recommends adoption of the following recommendations contained in the report dated April 27, 2017 from the Commissioner of Finance:

1. Council authorize entering into an agreement with Halogen Software Inc., as a direct purchase, to provide software services for a term of three years, expiring on July 5, 2020, at a total cost of \$417,567.33, excluding applicable taxes.
2. The Commissioner of Finance be authorized to exercise the option to extend the agreement for up to two further one-year terms, expiring on July 5, 2021 and July 5, 2022, on the same terms, provided that the contractor has performed the services to the satisfaction of the Commissioner and the total cost is within the approved operating budget.
3. The Commissioner of Finance be authorized to execute the agreements on behalf of the Region.

Report dated April 27, 2017 from the Commissioner of Finance now follows:

1. Recommendations

It is recommended that:

1. Council authorize entering into an agreement with Halogen Software Inc., as a direct purchase, to provide software services for a term of three years, expiring on July 5, 2020, at a total cost of \$417,567.33, excluding applicable taxes.

2. The Commissioner of Finance be authorized to exercise the option to extend the agreement for up to two further one-year terms, expiring on July 5, 2021 and July 5, 2022, on the same terms, provided that the contractor has performed the services to the satisfaction of the Commissioner and the total cost is within the approved operating budget.
3. The Commissioner of Finance be authorized to execute the agreements on behalf of the Region.

2. Purpose

This report seeks authority for the Region to enter into an agreement with Halogen Software Inc. (Halogen) for software services under the direct purchase provisions of the Purchasing Bylaw.

3. Background

The Region uses Halogen software to support the Region's performance management program

The Region's performance management program, administered by the Human Resources Branch, positions staff to provide quality services to the public by aligning employee performance with organizational goals. The program includes assessing and managing individual performance, identifying and developing talent and providing opportunities for career growth. Halogen software is used to automate and support several program activities, including the annual performance appraisal process, succession planning, competency reporting and administration of job descriptions.

4. Analysis and Implications

Halogen software requires a services contract to ensure system reliability and business continuity

Service contracts are established during the initial procurement of software to maintain the software's reliability and provide technical support. These contracts include:

- Subscription services to provide user access to specific software
- Maintenance services such as upgrades, security patches and basic repair
- Support services such as access to help desk support and professional services to aid staff in developing reports and resolving problems
- Hosting services to provide and maintain a dedicated online environment for the software.

Services for Halogen software have been directly purchased from Halogen as these services are only available from this vendor. There is currently no other provider for these services and accordingly a competitive procurement would not result in any alternative providers. Direct purchases are permitted under Section 9.1 (b) of the Region's Purchasing Bylaw where there is only one entity reasonably capable of providing the deliverables.

The Region originally entered into an agreement with Halogen in 2006. This agreement was extended for successive terms with the current agreement expiring on June 30, 2017. Entering into a new contract with Halogen will ensure continued subscription, maintenance, support and hosting services for Halogen software.

5. Financial Considerations

The cost for the Halogen services contract over the next three years is \$417,567.33, excluding taxes. This amount includes anticipated growth in the number of users over the contract term and a discounted annual renewal rate of 4.5 percent. The contract end date is July 5, 2020 with the option to renew for up to two additional one-year terms.

The required funding is included in the annual Information Technology Services operating budget.

6. Local Municipal Impact

There are no direct local municipal impacts as a result of this report.

7. Conclusion

Staff is seeking Council authorization to enter into an agreement with Halogen for a term of three years with the option to renew for up to two additional one-year terms. Halogen software supports several of the Region's business requirements and its use is expected to continue into the near future.

For more information on this report, please contact John Swan, Director, Information Technology Services, at 1-877-464-9675 ext. 71756.

The Senior Management Group has reviewed this report. April 27, 2017

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