

COUNCIL REPORT

M&C No.	2019-27
Report Date	February 05, 2019
Meeting Date	February 11, 2019
Service Area	Corporate Services

His Worship Mayor Don Darling and Members of Common Council

SUBJECT: CentralSquare Technologies Maintenance Fees

OPEN OR CLOSED SESSION

This matter is to be discussed in open session of Common Council.

AUTHORIZATION

Primary Author	Commissioner/Dept. Head	City Manager
<i>Stephanie Rackley-Roach</i>	<i>Neil Jacobsen</i>	<i>John Collin</i>

RECOMMENDATION

The City Manager recommends that Common Council:

1. authorize payment to CentralSquare Technologies (formally Superion) of up to \$192,524.40 +HST associated with the maintenance and support for 2019 for various applications related to the City's Enterprise Resource Planning (ERP) system; and
2. approve the payment of future maintenance and support costs until such time as the City implements a new ERP system.

EXECUTIVE SUMMARY

The City's Enterprise Resource Planning (ERP) system is provided through CentralSquare Technologies. This is a fully integrated system that enables essential administrative functions related to delivering public services, including but not limited to, financial management, community planning, citations, utility management and work orders. CentralSquare Technologies is the latest in a number of changes in vendor ownership of the City's ERP system. As part of the agreement with CentralSquare Technologies, the City pays annual maintenance fees for application updates, enhancements, patching (security), support, and professional services. The cost of maintenance fees for 2019 is \$192,524.40 +HST. The funds for these fees have been allocated for and approved in the 2019 General Fund Operating Budget.

PREVIOUS RESOLUTION

That as recommended by the City Manager, May 13, 2013, in the submitted report *Maintenance and Support Authorization with SunGard HTE Inc.:*

1. Authorize payment to SunGard HTE Inc. of up to \$106,631.00 +HST associated with the maintenance and support for 2013 for the various SunGard Applications.
2. Approve the payment of such maintenance and support costs for the next five (5) years, as long as the City continues to utilize the applications and funds are provided in the associated operating budget.

REPORT

In 1998, the City purchased its Enterprise Resource Planning (ERP) system from HTE Inc. HTE Inc. has changed ownership several times since then and is currently owned by Vista and called CentralSquare Technologies. At that time, the cost of the software, licensing, and implementation was over \$1 Million for an integrated suite of applications that includes:

- **Financial Management System** that includes GMBA (budget), Payroll, Purchasing, Accounts Payable, Accounts Receivable, Cash Receipts
- **Community Suite of Products** that includes Building Inspection, Code Enforcement, Community Planning, Land Management
- **Citation Management** for parking ticket processing
- **Utility Management** for processing water and sewerage bills
- **Work Orders / Facility Management** for managing work related to operations and assets

Applications have been added over the years and custom modifications have been made to improve or facilitate service delivery and administrative functions. This includes the addition of QRep, a suite of applications that enables the City to develop reports and analyze data to support evidence-based decisions. The ERP applications and QRep services are core to enabling public service delivery and the financial management of the City.

The agreement with HTE Inc., originally approved by Common Council in 1998, provided for the City to pay annual maintenance fees. In return, the vendor, now CentralSquare Technologies, provides the City with regular application updates, enhancements, and patches (security), along with support and professional services. In 2013, Common Council authorized payment of maintenance fees for a five year period or until such time as the City no longer uses CentralSquare Technologies for an ERP system.

STRATEGIC ALIGNMENT

Council has committed in their priorities for the community to ensure valued service delivery and fiscal responsibility. The City's ERP system supports both the financial management and delivery of cost-effective public service.

SERVICE AND FINANCIAL OUTCOMES

The maintenance and support cost for the City's suite of CentralSquare Technologies products for 2019 is \$192,524.40 + HST. The funds for this expense are allocated for and approved in the 2019 General Fund Operating Budget. This is a recurring cost for as long as the City continues to maintain an agreement with CentralSquare Technologies. The long-term capital budget includes funding to evaluate and potentially implement a new ERP system in 2020 and 2021. Implementation of a new ERP system would involve considerable time (minimum of two years) to understand requirements, develop process, and implement applications to cost-effectively deliver public service.

Costs have increased significantly for maintenance fees since the implementation of the City's ERP system in 1998. Additions of applications, unfavorable exchange rate on the Canadian dollar, and inflation directly impact the cost. The amount paid to Superion (CentralSquare Technologies) in 2018 was \$178,451.06. For 2019, Fusion has been added to the suite of applications and will be part of the new on-line payment functionality.

INPUT FROM OTHER SERVICE AREAS AND STAKEHOLDERS

Materials Management provided input on the process for authorizing payment of the maintenance fees.

ATTACHMENTS

N/A