



**City of Kingston
Report to Council
Report Number 21-091**

To: Mayor and Members of Council
From: Brad Joyce, Commissioner, Corporate Services
Resource Staff: Jeff Bumstead, CIO, Information Systems & Technology
Date of Meeting: April 6, 2021
Subject: Chief Information Officer Delegated Authority for Authorization of Recurring Software/Data Licencing, Maintenance and Support Agreements

Council Strategic Plan Alignment:

Theme: Corporate business

Goal: See above

Executive Summary:

It is common for most software and data service products to have an associated routine annual fee for licencing, maintenance or support. This is usually in the form of an agreement and is normally established for a specific time period after which it gets renewed usually on an annual basis. Since by its very nature, it is the software company or its agent that can only provide that licencing, maintenance and support, these agreements will always be deemed a result of a single source procurement.

[By-Law 2000-134](#) "A By-Law To Establish Purchasing Policies And Procedures", establishes that Council approval is required to enter into any single source agreement that is greater than \$50,000. As the City continues to expand its software and data services repertoire and moves further into cloud-based data and systems, there will be more of these agreements above the \$50,000 threshold. Staff are therefore seeking Council approval for the Chief Information Officer (CIO) to be granted delegated authority to enter into these recurring agreements, with the amounts still to be reported to Council as appropriate through the Finance Monthly Information Report for delegated authority procurements.

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Recommendation:

That the Chief Information Officer (CIO) be granted delegated authority to enter into recurring annual agreements in a form satisfactory to the Director of Legal Services, with respect to the continuance of technical software and data licencing, maintenance and support services for City applications.

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Authorizing Signatures:

ORIGINAL SIGNED BY COMMISSIONER

**Brad Joyce, Commissioner,
Corporate Services**

ORIGINAL SIGNED BY CHIEF
ADMINISTRATIVE OFFICER

**Lanie Hurdle, Chief
Administrative Officer**

Consultation with the following Members of the Corporate Management Team:

Paige Agnew, Commissioner, Community Services	Not required
Peter Huigenbos, Commissioner, Business, Environment & Projects	Not required
Jim Keech, President & CEO, Utilities Kingston	Not required
Desirée Kennedy, Chief Financial Officer & City Treasurer	Not required
Sheila Kidd, Commissioner, Transportation & Public Works	Not required

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Options/Discussion:

Annual fees for licencing, maintenance or support, are very common for City software and data services. These fees are usually established for a set period when the software or data service is first procured, and those procurements are accomplished in accordance with [By-Law 2000-134](#), "A By-Law To Establish Purchasing Policies And Procedures". After the set period, the City would normally then be required to enter into an agreement to continue the licencing, maintenance and support for a set annual fee. Since it is only the provider of the software or data service that can offer that agreement, under Purchasing By-Law 2000-134, this is then automatically considered a single source procurement. The Purchasing By-Law also requires that any single source procurement valued at more than \$50,000 must be approved by Council through separate report.

The City will see more of these routine annual recurring licencing, maintenance and support agreements with fees exceeding that \$50,000 threshold, as the software and data services continue to expand including further cloud-based systems. Staff are seeking Council's approval to permit the Chief Information Officer (CIO) to have the delegated authority to enter into these agreements subject to the form being satisfactory to the Director of Legal Services.

Council will still receive notice of these agreements through the Finance Monthly Information Report for delegated authority procurements, and have opportunity to query staff regarding such. Staff will also continue to determine the validity and prudence of renewing or extending these recurring agreements as duly warranted and appropriate.

Currently, the CIO has authority to grant these types of agreements for values of \$50,000 or less through the Purchasing by-law, and has also been granted delegated authority by Council to enter into these agreements for values greater than \$50,000 for a number of software products as set out in [By-law 2016-189](#), "A By-law to Consolidate the Delegation of Powers and Duties". Council approval of the recommendation in this report would provide the CIO with authorization to approve and enter into these routine agreements even if the amount is above \$50,000.

Existing Policy/By-Law:

[By-Law 2000-134 A By-Law To Establish Purchasing Policies And Procedures](#)

[By-law 2016-189, A By-law to Consolidate the Delegation of Powers and Duties](#)

Notice Provisions:

None

Accessibility Considerations:

None

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Financial Considerations:

Costs related to annual licencing, maintenance and support for software and data services are included in annual budgets approved by Council.

Contacts:

Jeff Bumstead, CIO, Information Systems & Technology, 613-546-4291 extension 1341

Other City of Kingston Staff Consulted:

Alan McLeod, Acting Director, Legal Services & City Solicitor

Exhibits Attached:

None