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Halifax Regional Council
September 13, 2005

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



George McLellan, Chief Administrative Officer



Dan English, Deputy Chief Administrative Officer

DATE: September 6, 2005

SUBJECT: Sole Source Purchase of GIS Application Development Consulting

ORIGIN

A required and planned upgrade of HRM's corporate GIS (Geographic Information System) involves purchasing application development services from a sole source vendor which requires Council approval.

RECOMMENDATION

It is recommended that Regional Council authorize the purchase of application development consulting services from ESRI Canada Ltd at a cost of \$115,000.00 plus net HST for a total project cost of \$118,910.00 with funding from Capital Account - CIR000256, GIS Mapping Reserve , as outlined in the Budget Implications section of this report.

BACKGROUND

In 1996, HRM inherited the City of Halifax’s existing geographic information system (GIS) that had been in operation in the former city since 1990. In 1997, HRM commissioned SGE Group to undertake a review of the system. The SGE Group report recommended the system be continued and enhanced as a corporate information management tool. Further, they recommended continued use of the ESRI product since it is an industry leader in product use and development and there would be added costs involved with implementing any alternative GIS product.

ESRI has continued to develop new releases of its product and in 2002 released a major upgrade of its software known as **ArcGIS**. Since that time HRM has incrementally converted old licenses of the software to the new version. Operating in both versions of the software has resulted in additional management costs and duplication of databases. In 2003, staff were advised the old version of the software and database would no longer be supported and that plans should be made to migrate “fully” to the new environment. A two year plan to complete this migration was approved by Regional Council as part of the 2004/05 budget process.

DISCUSSION

Completing the migration to the new software requires the rewriting of specific application tools, such as REGIS (Regional Geographic Information System), and the migration of major corporate data sets, like the Civic Address database, to the new database format. External expertise is required to assist staff with this migration. The only option for this support is the software vendor, ESRI Canada Ltd., as there are no other consultants with GIS ArcSERVER application development experience in a technology environment such as ours (i.e. UNIX hardware and (JAVA) development environment).

The total cost of the required consulting services is as follows:

<u>Name of Company</u>	<u>Total (Net HST Included)</u>
ESRI Canada .	\$118,910.00

This consulting is being purchased under the “sole source purchase section 7.8.1” of the Procurement Policy which states:

“Where the compatibility of a purchase with existing equipment, facilities or service is a paramount consideration and the purchase must be made from a single source.”

While the migration is necessary to ensure continued use of the GIS system within HRM, the full implementation of ArcGIS provides additional benefits. Since all applications, query functions and plotting and analysis capabilities will be deployed via intranet access, all HRM employees will be able to access and use the system if required. Currently, a limited number (~100) of staff access the current (ArcInfo Workstation) applications using special terminal software (Exceed).

Deployment of ArcGIS via the intranet is expected to reduce overall licensing costs; managing a single version of the software will reduce management costs. Lastly, the application development will replicate current functions and enhance such functions where possible using standard “out of the box” capabilities, thereby replacing any staff programmed and maintained functions.

BUDGET IMPLICATIONS

Budget Summary: Account CIR000256 - GIS Mapping Reserve

Cumulative Unspent Budget	\$267,000.00
Less:	<u>\$118,910.00</u>
	\$152,000.00

The budget availability has been confirmed by Financial Services.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

The proposed GIS migration initiative was identified and approved as a two year project in the 2004/05 Budget and Business plan for Shared Services.

This report complies with the Municipality’s Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

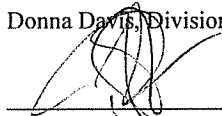
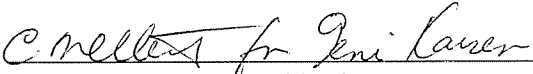
ALTERNATIVES

There is no a recommended alternative.

ATTACHMENTS

None

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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