

Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee

From: Anna Lisa Barbon, CPA, CGA
Deputy City Manager, Finance Supports

Subject: Corporate Asset Management System Contract Amendment -
Brightly Software Canada Inc.

Date: January 15, 2024

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the following actions be taken with respect to the Corporate Asset Management (CAM) Software System:

- a) The attached proposed by-law BE INTRODUCED at the Municipal Council Meeting to be held on January 23, 2024 to:
 - i. Approve the amending agreement between The Corporation of the City of London and Brightly Software Canada Inc. to provide for ongoing license and support fees for the Corporate Asset Management Computer System (the “ Amending Agreement”);
 - ii. Authorize the Mayor and Clerk to execute the Amending Agreement;
 - iii. Delegate to the Deputy City Manager, Finance Supports the authority to approve future amending agreements to continue the Corporate Asset Management Computer System; and
 - iv. Authorize the Mayor and Clerk to execute amending agreements approved by the Deputy City Manager, Finance Supports

it being noted that the Amending Agreement will provide for license and support fees for the Corporate Asset Management Computer System at the price of \$116,905 + HST for the year 2024 with an increase of 3% annually for the remaining four years (2025, 2026, 2027, & 2028) of the contract in accordance with Schedule B – item 6 of the Procurement of Goods and Services Policy.

Executive Summary

This report underlines the important role of Brightly Software Canada Inc.'s software and its two modules (Assetic and Predictor) in supporting the City of London's asset management processes. Through effective integration with existing city systems, the software has significantly advanced the 2023 Corporate Asset Management Plan, leading to streamlined processes, ability to model long-term funding, and ensure compliance with Ontario Regulation 588/17. Emphasizing these benefits, the report recommends the renewal of the contract with Brightly Software Canada Inc. for five more years (2024-2028) to maintain these advancements and continue enhancing the City's asset management capabilities.

Linkage to the Corporate Strategic Plan

Council's 2023-2027 Strategic Plan identifies 'Climate Action and Sustainable Growth' and 'Well-Run City' as two of eight strategic areas of focus. The CAM Program supports these strategic areas of focus through supporting the achievement of the following strategic priorities:

1. “London’s infrastructure and systems are built, maintained, and operated to meet the long-term needs of the community.” which includes:
 - ‘The infrastructure gap is managed for all assets’ and
 - ‘Infrastructure is built, maintained, and secured to support future growth and protect the environment’.
2. “The City of London is trusted, open, and accountable in service of the community” which includes:
 - ‘London’s finances are maintained in a transparent, sustainable, and well-planned manner, incorporating intergenerational equity, affordability and environmental, social, and governance considerations.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- October 10, 2023 Report to Strategic Priorities & Policy Committee – 2023 Corporate Asset Management Plan
- July 26, 2021 Report to Corporate Services Committee – Corporate Asset Management Plan 2021 Review
- February 18, 2020 Report to Corporate Service Committee - Corporate Asset Management System Contract Amendment - Assetic Canada Holdings Inc.
- June 8, 2016, Report to Corporate Services Committee – RFP 14-72 Corporate Asset Management System Acquisition – Assetic Canada Holdings

1.2 Overview of Brightly Software and the City's Initial Acquisition in 2016

Through a Request for Expression of Interest/Qualifications (REOI/RFQUAL 14-14) followed by a Request for Proposal (RFP 14-72) process, a contract was awarded to Assetic Canada Holdings Inc. (“Assetic Canada”) for provision of the Corporate Asset Management (CAM) Software System in accordance with the Procurement of Goods and Services Policy. At the time of the awarding of the original Request for Proposal in early 2016, Assetic Canada’s submission was the lowest cost, most user-friendly software product that best met the requirements of the City.

In May 2021, ‘Dude Solutions’ acquired the strategic asset management firm ‘Assetic’. Dude Solutions was later rebranded to ‘Brightly’ software in May 2022. On June 27, 2022, Siemens Smart Infrastructure acquired the Brightly Software.

Brightly Software Canada Inc. provides pre-packaged asset management system, implementation, training, support, and maintenance services. They have a range of innovative products installed at over 150 sites across Australia, New Zealand, South Africa, U.K., USA and Canada. Over the past few years, they have made a concerted push into the North American market via offices located in Toronto and Seattle and have a presence in providing municipal asset management software in Ontario, Canada, and the United States.

1.3 Implementation of Brightly Software in the City's Corporate Asset Management Program

Ultimately, Corporate Asset Management, including the software system, is intended to support continuous improvement, effective and efficient management of the Corporation’s \$28.5 billion worth of assets. Historically, the City of London has relied on ad hoc decentralized manual processes to produce reports like the State of Infrastructure Report and the Corporate Asset Management Plan. Since 2016, both modules, Brightly Assetic and Brightly Predictor Asset Management system, helped to streamline processes and simplified the creation of the Corporate Asset Management reports. Brightly has fit within existing and planned systems that comprise the source of data for the City’s many assets. Figure 1 depicts the overview of Brightly system’s

major components which depend on the City’s key existing and proposed data sources (e.g., Computerized Maintenance Management system (CMMS), Geodatabase (GIS), Customer Service (CRM) and Financial System (JDE)) to effectively support standardized asset management practices.

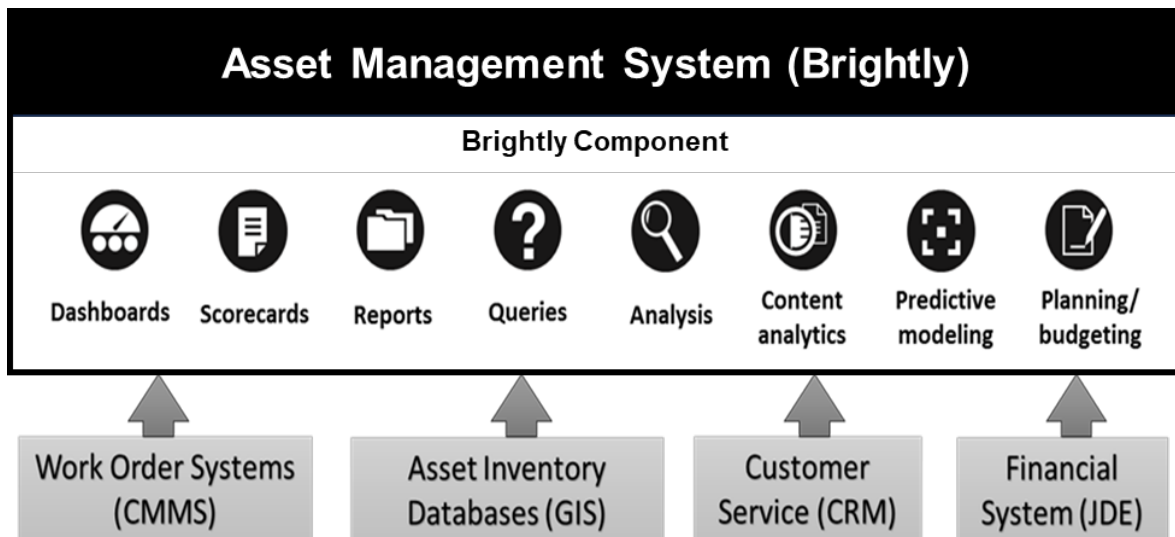


Figure 1: Asset Management System (Brightly)

The most recent example of the use of the Brightly Software system was in the City’s 2023 Asset Management Plan. CAM modeled long-term funding and projected future condition profiles to optimize service level outcomes and capital expenditures. CAM expanded its utilization of the Brightly strategic asset management solution module (Predictor) and used it for thirteen service areas within the City’s directly owned assets. Figure 2 shows an example of using the software to conduct predictive modeling and analyze data to model long-term funding and develop several scenarios to support decision making.

Another example of a projected condition profile is shown in Figure 3. The City is also continuing with the full implementation of Brightly Assetic for several service areas across the City; this component of the software solution provides, a centralized repository for asset data, the ability to define required and optional asset data, control access to asset data, and audit additions and subtractions to the data. CAM will start utilizing Brightly’s two modules in the process of developing the asset management plans for the City’s Agencies, Boards, and Commissions (ABCs) in January 2024, and then seek to incorporate applicable Civic Administration service areas.

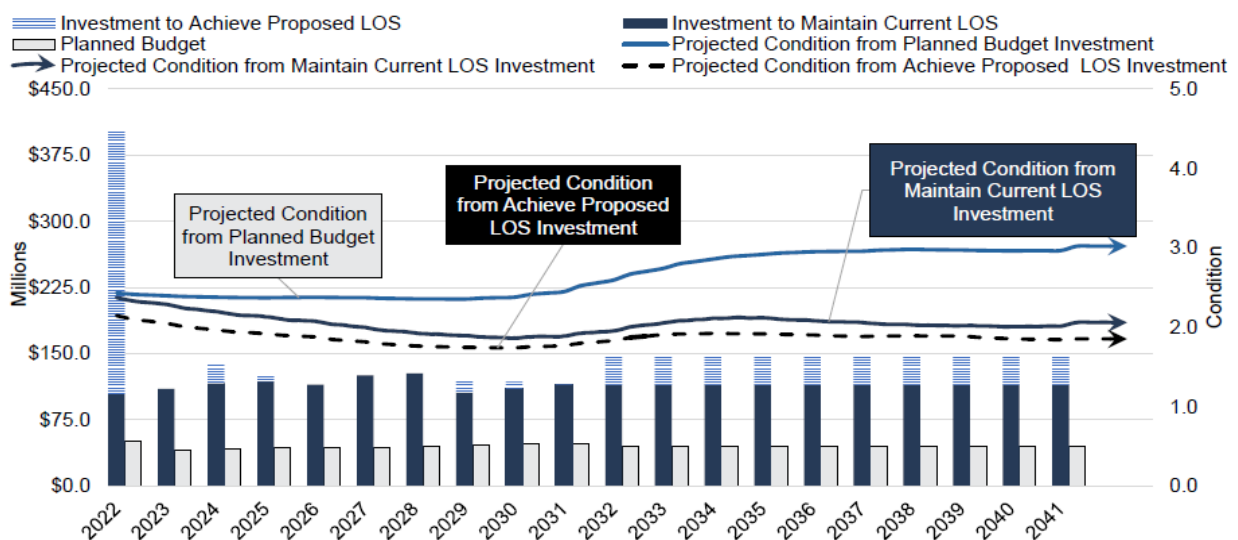


Figure 2: Example of a Projected Service State of Three Funding Scenarios (Predictor)

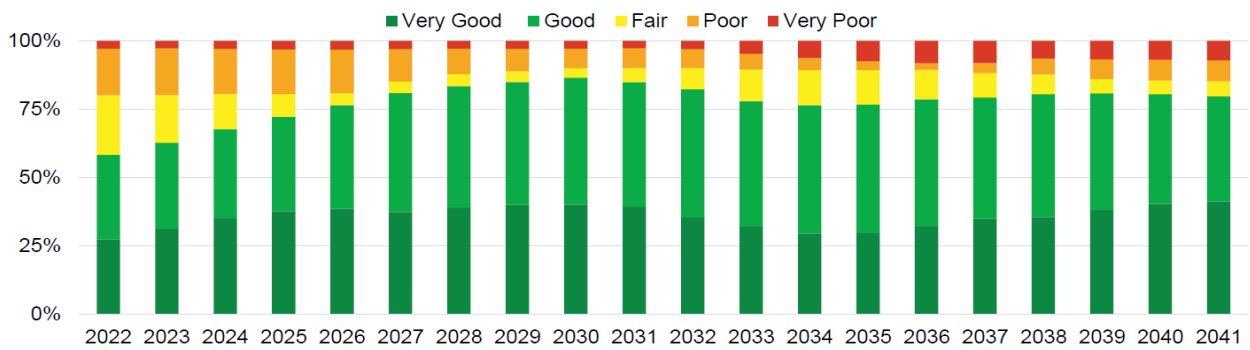


Figure 3: Example of a Projected Condition Profile using Assetic System (Predictor)

2.0 Contract Amendment

The recommended Contract Renewal Agreement is in accordance with Schedule B – item 6 of the Procurement of Goods and Services Policy; noting that Brightly has been providing good service to the City – the predicted asset condition and pilot implementation informs the CAM Program, including the recent 2023 CAM Plan, and supports several strategic priorities of the City. The amendments to the existing contract include:

- i. The 2024 licensing fee of \$116,905 (before HST) and an increase of 3% annually, for the remaining renewal period (2025-2028) as seen in the table below;
- ii. Extending the agreement with Brightly Software Inc. for 5 years (2024-2028);
- iii. Options to renew at end of term with the ability to negotiate new fees after 2028;
- iv. Assignment of Assetic Canada Holding Inc.’s obligations under the agreement to Brightly Software Canada Inc.

Item	Year 2 01/01/2025	Year 3 01/01/2026	Year 4 01/01/2027	Year 5 01/01/2028
Brightly Software	120,412.15 CAD	124,024.51 CAD	127,745.25 CAD	131,577.61 CAD

3.0 Financial Impact

The cost of the contract renewal has been accommodated as part of the annual Corporate Asset Management operating budget. The previous 5 year agreement was for \$113,500 + HST annually, this renewal is an increase of 3% in 2024 and each of the following 4 years.

Conclusion

Brightly Software Canada Inc., with its two modules Assetic and Predictor, has streamlined asset management processes for municipalities, particularly in North America. The software has enabled the City to shift from decentralized, manual reporting to a more streamlined, predictive approach, enhancing its Corporate Asset Management (CAM) capabilities. This is required for managing the city's \$28.5 billion in assets, as shown in its 2023 Corporate Asset Management Plan. Brightly software facilitates predictive modeling and scenario analysis, aiding in long-term planning and budget optimization across the City’s multiple service areas.

Finally, the Corporate Asset Management section recommends renewing the contract with Brightly Software Canada Inc. considering its successful impact and alignment with the city’s strategic priorities. This renewal is crucial for the efficient management of city-owned assets and for ensuring compliance with Ontario Regulation 588/17, continuing the proven benefits of the software in streamlining asset management processes.

Prepared by: Ahmed Eweda, Ph.D.
Specialist II, Corporate Asset Management

Submitted by: Greg Clark, CPA, CMA
Director, Capital Assets and Projects

Recommended by: Anna Lisa Barbon, CPA, CGA
Deputy City Manager, Finance Supports

Attached:

Appendix A - By-law to approve the Amending Agreement between The Corporation of the City of London and Brightly Software Canada Inc.

Appendix A

Bill No.
2024

By-law No.

A by-law to approve an Amending Agreement between The Corporation of the City of London and Brightly Software Canada Inc. to provide for the ongoing license and support fees for the Corporate Asset Management Computer System

WHEREAS subsection 5(3) of the *Municipal Act, 2001* S.O. 2001, c.25, as amended provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001*, as amended, provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under the *Municipal Act, 2001* or any other Act;

AND WHEREAS Municipal Council of The Corporation of the City of London considers it to be in the interests of the municipality to enter into an Amending Agreement with Brightly Software Canada Inc. to continue to use the Corporate Asset Management Computer System and to address the license and support fees for Years 8 -12 (2024-2028);

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Amending Agreement between The Corporation of the City of London and Brightly Software Canada Inc. attached as Schedule I to this by-law (the "Amending Agreement") to amend the agreement entered into between The Corporation of the City of London and Assetic Canada Holdings Inc. on December 1, 2016 is hereby authorized and approved.
2. The Mayor and City Clerk are authorized to execute the Amending Agreement authorized and approved in section 1 of this by-law.
3. The Deputy City Manager, Finance Supports is delegated the authority to approve any future amending agreements between Brightly Software Canada Inc. and The Corporation of the City of London to continue the Corporate Asset Management Computer System.
4. The Mayor and Clerk are authorized to execute any amending agreements approved by the Deputy City Manager, Finance Supports approved pursuant to section 3 of this by-law.
5. This by-law comes into effect on the day it is passed subject to the provisions of PART VI.1 of the *Municipal Act, 2001*.

Passed in Open Council on January 23, 2024 subject to the provisions of PART VI.1 of the *Municipal Act, 2001*.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading –, 2024
Second Reading –, 2024
Third Reading –, 2024

Schedule I
AMENDING AGREEMENT

This agreement made the 24th day of January, 2024.

BETWEEN:

THE CORPORATION OF THE CITY OF LONDON (the “City”)

- and -

BRIGHTLY SOFTWARE CANADA INC. (“Brightly Canada”)

WHEREAS The Corporation of the City of London and Assetic Canada Holdings Inc. entered into an agreement commencing December 1, 2016 for the acquisition and implementation of a Corporate Asset Management Software Computer System (the “Original Agreement”);

AND WHEREAS Brightly Software Canada Inc. acquired Assetic Canada Holdings Inc. in 2020 and Brightly Software Canada Inc. has agreed to assume all rights and obligations of Assetic Canada Holdings Inc. under the Original Agreement and to observe and be bound by the terms, conditions, covenants and provisions therein contained;

AND WHEREAS the Original Agreement did not address licensing fees for years 2024-2028 and the parties wish to enter into an Amending Agreement to provide for annual ongoing license and support fees for years 2024-2028;

AND WHEREAS the parties wish to extend the term of the Original Agreement to December 31, 2028;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements, and subject to the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The Original Agreement dated December 1, 2016 shall be continued upon the same terms and conditions as therein set out, except as specifically varied in this Amending Agreement.
2. Brightly Canada acknowledges and agrees that it has been assigned the rights, obligations and interests of Assetic Canada Holdings Inc. in the Original Agreement and further acknowledges and agrees that every term, covenant, attornment, provision, condition and stipulation in the Original Agreement shall apply to and bind Brightly Canada with the same effect as if Brightly Canada had been Assetic Canada Holdings Inc. and as such had executed the Original Agreement and Brightly Canada covenants with the City to do, observe, keep and perform every term, covenant, attornment, proviso, condition and stipulation of the Original Agreement.
3. The City will pay Brightly Canada an annual ongoing license and support fee of \$116,905 for the year 2024. The annual ongoing license and support fee shall increase by 3% for each subsequent year until the end of the term being December 31, 2028, as set out in Schedule 2 attached hereto. For greater clarity, the total fees the Corporation will pay to Brightly Canada for ongoing license and support from 2024-2028 will be \$620,664.52. The parties therefore agree to delete Schedule 2 of Schedule B of the Original Agreement and replace it with Schedule 2 of Schedule B attached hereto as Schedule 2
4. This Amending Agreement and the Original Agreement (the “Agreement”) together constitute the entire agreement between the parties.

5. The Agreement shall terminate on December 31, 2028.
6. The Agreement may be renewed at the City's sole discretion upon review of the proposed license and support fees for future years, which shall be submitted to the Corporation no later than July 1, 2028.
7. This Amending Agreement shall enure and be binding upon the parties and their respective successors and assigns.
8. This Amending Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

IN WITNESS WHEREOF the parties have duly executed and delivered this Amending Agreement.

THE CORPORATION OF THE CITY OF LONDON

Josh Morgan
Mayor

Michael Schulthess
City Clerk

Brightly Software Canada Inc.

Ben Moller
Channel Manager
I have authority to bind the corporation.

Schedule 2

Schedule B - Project Cost Estimate Update

Modified May 16, 2023 by Marissa C. Lambert

Project Cost Summary

The 2024 licensing fee of \$116,905 (before HST) and an increase of 3% annually, for the remaining renewal period (2025-2028) as seen in the table below:

Item	Year 2 01/01/2025	Year 3 01/01/2026	Year 4 01/01/2027	Year 5 01/01/2028
Brightly Software	120,412.15 CAD	124,024.51 CAD	127,745.25 CAD	131,577.61 CAD

Project Cost Estimate

Year 1	
<ul style="list-style-type: none"> • Predictor Parks, Recreation and Forestry • Assets & Assessments • Predictor Facilities/Physical Plant • Predictor Enterprise 	\$116,905.00
Sub Total	\$116,905.00
Year 2 Cost (excl. HST)	
<ul style="list-style-type: none"> • Predictor Parks, Recreation and Forestry • Assets & Assessments • Predictor Facilities/Physical Plant • Predictor Enterprise 	\$120,412.15
Sub Total	\$120,412.15
Year 3 Cost (excl. HST)	
<ul style="list-style-type: none"> • Predictor Parks, Recreation and Forestry • Assets & Assessments • Predictor Facilities/Physical Plant • Predictor Enterprise 	\$124,024.51
Sub Total	\$124,024.51
Year 4 Cost (excl. HST)	
<ul style="list-style-type: none"> • Predictor Parks, Recreation and Forestry • Assets & Assessments • Predictor Facilities/Physical Plant • Predictor Enterprise 	\$127,745.25
Sub Total	\$127,745.25
Year 5 Cost (excl. HST)	
<ul style="list-style-type: none"> • Predictor Parks, Recreation and Forestry • Assets & Assessments • Predictor Facilities/Physical Plant • Predictor Enterprise 	\$131,577.61
Sub Total	\$131,577.61
Project Total	\$620,664.52