

TO:	CHAIR AND MEMBERS FINANCE AND ADMINISTRATIVE SERVICES COMMITTEE MEETING ON FEBRUARY 6, 2012
FROM:	JOHN KOBARDA FIRE CHIEF
SUBJECT:	MASTER PURCHASE AGREEMENT WITH INTERGRAPH CANADA LTD

RECOMMENDATION

That, on the recommendation of the Fire Chief, and with the concurrence of the Executive Director of Community Services, the attached proposed By-law (Appendix A) **BE INTRODUCED** at the Municipal Council meeting of February 21, 2012;

- (a) **TO APPROVE** a Master Purchase Agreement with Intergraph Canada Ltd. attached as Schedule A for the purposes of establishing the parameters that will govern the purchase of software products in the future; and
- (b) **TO AUTHORIZE** the Mayor and Clerk to sign the agreement.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

- Community and Neighbourhoods Committee report September 27, 2011 – Business Intelligence Program

BACKGROUND

The London Fire Department (LFD) implemented in 1998 a computer assisted dispatch (CAD) system, which was purchased from Intergraph Canada Ltd (Intergraph). Subsequently the City has purchased upgrades to the system at regular intervals and the LFD has received Council approval to do so. At the Community and Neighbourhoods Committee meeting held September 27, 2011 the Fire Chief reported that currently the method of obtaining any measures tracked by the department is labourious and sometimes takes up to 100 hours to distil just one (1) measure. In order to provide accurate “real time” data to enable the Department to react to issues as they arise, monitor trends and performance and provide benchmarking data, at its meeting on October 3, 2011

Council resolved that the quote submitted by Intergraph Canada Ltd, 250-7070 Mississauga Rd, Mississauga ON, L5N 7G2, for the supply and installation of London Fire Business Intelligence for Public Safety at their proposed price of \$129,093, HST extra, BE ACCEPTED, that the quote for the supply and installation of London Fire Incident Analyst at their proposed price of \$38,000 BE Accepted and the the quotation for Phase 2 of the implementation of London Fire Incident Analyst at their proposed price of \$55,000 BE ACCEPTED. Further Council resolved that Civic Administration Be AUTHORIZED to undertake all the administrative acts that are necessary in connection with the purchase and that the Approval given BE CONDITIONAL upon the Corporation entering into a formal contract or having a purchase order, or contract record relating to the subject matter of the approval.

Given the ongoing relationship that the City has with Intergraph and may continue to have for the foreseeable future, for the purposes of streamlining the approval process, the LFD is recommending that the City enter into a Master Agreement which outlines the terms and conditions that will cover all Purchase Orders for Intergraph products and services including the software noted above and the upgrade to the CAD system the report for which is submitted at this meeting under separate agenda item. The Department will continue to comply with the City’s Procurement of Goods & Services Policy for any subsequent purchases, and in accordance with the Business Plans and annual budget approvals.

Fire Administration has worked extensively with Intergraph over the last few months to develop the terms of the agreement contained in the attached Master Agreement, which has been reviewed by the City Solicitor's Office, Risk Management and Technology Services Division. It is important to note that the terms of the agreement are relatively standard and, generally speaking, are in Intergraph's favour; however, we have been advised that this is typical of software agreements. Furthermore, there are two areas of concern that have been raised by Risk Management and the City Solicitor's Office. Typically, the City requests the vendor's Limitation of Liability to be \$5 million dollars whereas Intergraph has limited its liability to twice the value of the work performed. In addition, the agreement provides very limited warranty. Further, the City is required to indemnify Intergraph: (i) for any costs or damages resulting from a breach of the Export Control provisions in the Agreement by the City, its Affiliates, and Approved Contractors; (ii) for liens that attach to Intergraph property for which the City is obligated; (iii) in the End User Licence Agreement (EULA) where the City customizes or configures the Software; (iv) in the EULA for a breach by the City of any of the limitations or prohibited actions set out in the EULA.

As noted these clauses favour Intergraph and are typical of software agreements. The City has had an ongoing relationship with Intergraph since 1998. The products provided by Intergraph meet the needs of the LFD and as noted generally terms would be no different with another provider.

SUMMARY

In order to streamline the interaction between Intergraph and the City regarding the future purchases of software and/or upgrading of existing software, the LFD is recommending that that the City enter into a Master Agreement, which outlines the terms and conditions that will cover all offers made by Intergraph. The Department will continue to request Council approval as required by the Purchasing By-law for any specific purchase.

This report is required to introduce the attached by-law to approve the agreement and authorize the Mayor and Clerk to sign the agreement.

Acknowledgments: Ms. Gwen Francis

RECOMMENDED BY:	CONCURRED BY:
JOHN KOBARDA FIRE CHIEF	ROSS L. FAIR EXECUTIVE DIRECTOR DEPARTMENT OF COMMUNITY SERVICES

APPENDIX A

Bill No.
2012

By-law No. .-

A By-law to approve the Master Purchase Agreement with Intergraph Canada Ltd. for the supply and installation of various Software Products and other services to be purchased under a Purchase Order; and to authorize the Mayor and the City Clerk to execute the Agreement.

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

AND WHEREAS section 2(1) of the *Fire Protection and Prevention Act, 1997*, S.O. 1997, c. 4, as amended, provides that every municipality shall provide such other fire protection services as it determines may be necessary in accordance with its needs and circumstances;

AND WHEREAS subsection 5(3) of the *Municipal Act, 2001* provides that a municipal power shall be exercised by by-law;

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

1. The Master Purchase Agreement to be entered into between The Corporation of the City of London and Intergraph Canada Ltd., which sets the terms and conditions for purchases by way of Purchase Orders from Intergraph Canada Ltd., attached as Schedule A to this by-law, is approved.
2. The Mayor and the City Clerk are authorized to execute the agreement approved under section 1 above.
3. The Fire Chief is authorized to appoint a Project Manager for any Purchase Order or Statement of Work under the Master Purchase Agreement, and the Project Manager so appointed is authorized to take any actions of the Project Manager as set out in the Master Purchase Agreement.
4. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council February 21, 2012

Joe Fontana
Mayor

Catharine Saunders
City Clerk

First Reading –
Second Reading –
Third Reading –