

Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee

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

Subject: Single Source Procurement SS-2023-031: Cognos Modernization Phase Two

Date: February 21, 2023

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, and with the concurrence of the Director, Information Technology Services, Enterprise Supports the following actions **BE TAKEN** with respect to the Cognos Modernization Phase Two:

- a) The single proposal submitted by Newcomp Analytics, 161 Bay St Suite 2700, Toronto, ON M5J 2S1, for Cognos Modernization for a total cost of \$554,640 (excluding taxes) **BE ACCEPTED** in accordance with section 14.4 (e) of the Procurement of Goods and Services Policy;
- b) that the funding for this procurement **BE APPROVED** as set out in the Source of Financing Report attached, hereto, as Appendix A;
- c) subject to approval of a) above, the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this contract;
- d) the approval and authorization provided for in a) above, **BE CONDITIONAL** upon the Corporation entering into a formal contract or having a Purchase Order, or contract record relating to the subject matter of this approval; and
- e) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to the actions set out in a) above.

Executive Summary

The purpose of this report is to seek approval from Municipal Council to award the second phase of Cognos Modernization of the Corporation's Cognos financial reporting platform to Newcomp Analytics in accordance with section 14.4.(e) of the Procurement of Goods and Services Policy. The second phase of the project will include the migration of all the remaining reports and related technology from the legacy version of Cognos to Cognos 11x.

Linkage to the Corporate Strategic Plan 2019 - 2023

The Cognos Modernization supports the Corporation in its Strategic Area of Focus of Leading in Public Service.

Modernizing our Cognos financial reporting platform also supports multiple strategies outlined in the Strategic Plan 2019-2023, including:

- Improve public accountability and transparency in decision making: Increase access to information to support community decision making.
- Increase the use of technology to improve service delivery: Continue to maintain, build and enhance a high-performing and secure computing environment.
- Enhance the ability to respond to new and emerging technologies and best practices: Deliver and maintain innovative digital solutions to increase efficiency and effectiveness across the Corporation, and,

- Maintain London's finances in a transparent and well-planned manner to balance equity and affordability over the long term.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Corporate Services Committee, October 19, 2020, Agenda Item 2.1, RFP 20-37 Cognos Modernization Irregular Result

2.0 Discussions and Considerations

2.1 Cognos Modernization

Cognos is the main financial reporting solution for the City of London and it has a large cross service area user distribution, with more than 900 active reports and approximately 500 internal users. The Cognos financial reporting platform is essential to the delivery of Corporation wide financial management, multi-year budgeting and resource management.

The Corporation is currently operating two Cognos environments following the successful completion of the first phase of Cognos Modernization. A new Cognos 11x environment was launched to users and where more than 100 critical reports have been migrated and are currently in-use since August 2021. Part of the phase one project was to revalidate the necessity of reports. As part of phase two, a legacy Cognos environment with approximately 300 reports requires migration. Phase two will focus on the migration of Payroll, People Services, Inventory, Purchasing, Fleet, Facilities and Parking reports. The licensing arrangement for the legacy Cognos version expires at the end of 2023.

This project includes one-time implementation costs for:

- System configuration;
- Migration planning;
- Report migration;
- Technical support;
- Project management and documentation; and
- Post-go live support.

2.2 Procurement Process

On July 14, 2020, the Purchasing Office issued a formal Request for Proposal (RFP20-37) for the Cognos Modernization on the Corporation's Bids and Tenders website to source a qualified and experienced proponent to complete this work. System design and configuration, migration planning, finance reporting suite migration, licensing, training, technical support, project management, and post-go live were all attributes of this endeavor.

When the RFP closed, only one (1) compliant submission was received resulting in section 19.4 of the Procurement of Goods and Services Policy being followed. Since the proponent (Newcomp Analytics) met the Corporation's requirements, noting that the specifications of a competitive bid could not be met by two (2) or more suppliers, Civic Administration recommended that the proposal be awarded to Newcomp Analytics as an Irregular Result, consistent with section 8.10 of the Procurement of Goods and Services Policy. This recommendation was approved by City Council on October 27, 2020.

Following the award, Newcomp Analytics assisted the Corporation to successfully complete the first phase of the Cognos Modernization project. The upgraded environment and migrated reports went live in August of 2021. The project completed within the expected timeframe, cost and met the required deliverables.

For this project, being phase two Cognos Modernization, a Single Source approach is being recommended. Single Source means that there is more than one source of supply in the open

market, but only one source is recommended due to predetermined and approved specifications as listed in section 14.4 of the Procurement of Goods and Services Policy:

- e. The required goods and/or services are to be supplied by a particular supplier(s) having special knowledge, skills, expertise or experience;

Through the completion of the first phase, Newcomp has demonstrated the skills and expertise necessary to assist the Corporation with the proposed phase two. Newcomp has special knowledge of the Corporation's upgraded Cognos platform as they were responsible for designing and configuring the system currently in-use by City staff. This is an important benefit because Newcomp will require less time, resources and City staff support prior to beginning the phase two report migration.

2.3 Cognos Legacy Risk

The implementation of a modernized Cognos environment reflects the strategy to enhance decision making through data, reporting and analytics while ensuring critical vendor support is maintained. The legacy version of Cognos is reaching end of life and challenges are being encountered when seeking to meet the needs of end users. Remaining on an unsupported application increases the risk that the Corporation could lose access to its reporting system and the corporate information it contains. In addition, the Corporation faces an increasing risk of security threats and difficulty in responding to service disruptions should the application not be supported. Therefore, it is highly desirable to upgrade the remainder of the Cognos financial reporting platform prior to it becoming unsupported.

Other municipalities that are currently using Cognos Analytics 11x include the Region of York and the Municipality of Durham.

Pending approval from Municipal Council, this project will be completed in partnership with Newcomp Analytics, ITS, Finance, and other key Service Area staff.

3.0 Financial Impact/Considerations

The Cognos Modernization project was identified and approved in the 2020-2023 Multi-Year Budget. The total project cost includes the proposal from Newcomp Analytics for \$554,640 (excluding H.S.T).

Ongoing software licensing costs will be funded through the ITS operating budget.

The Source of Financing for this project is attached as Appendix 'A'.

Conclusion

Newcomp Analytics was awarded the contract for the first phase of Cognos Modernization through a formal RFP process and then assisted the Corporation with a successful implementation of Cognos 11x. Based on Newcomp's considerable experience with the Corporation's reporting requirements, staff and technical environment, a single source award to Newcomp Analytics is being recommended.

Prepared by: Brendan Pakish, Senior Manager, Enterprise Applications, Reporting and Analytics, Enterprise Supports
Darren Hack, Manager, Financial Systems, Finance Supports
Submitted by: Ian Collins, Director, Financial Services, Finance Supports
Concurred by: Mat Daley, Director, Information Technology Services, Enterprise Supports
Recommended by: Anna Lisa Barbon, Deputy City Manager, Finance Supports

- c. Steve Mollon, Senior Manager, Purchasing and Supply Operations, Finance Supports
Tanja Kueneman, Financial Business Administrator, Finance Supports

Appendix "A"

#23034

February 21, 2023
(Award Contract)

Chair and Members
Corporate Services Committee

RE: Single Source Procurement SS-2023-031: Cognos Modernization Phase Two
(Subledger CP230007)
Capital Project IT3010 - Application, Data, Information and Process
Newcomp Analytics - \$554,640.00 (excluding HST)

Finance Supports Report on the Sources of Financing:

Finance Supports confirms that the cost of this project can be accommodated within the financing available for it in the Capital Budget and that, subject to the approval of the recommendation of the Deputy City Manager, Finance Supports, the detailed source of financing is:

Estimated Expenditures	Approved Budget	Committed To This Date	This Submission	Balance for Future Work
Engineering	444,529	436,668	0	7,861
Communication Costs	3,491,977	2,110,853	564,401	816,723
Total Expenditures	3,936,506	2,547,521	564,401	824,584

Sources of Financing

Capital Levy	877,924	877,924	0	0
Drawdown from Technology Renewal Reserve Fund	3,058,582	1,669,597	564,401	824,584
Total Financing	\$3,936,506	\$2,547,521	\$564,401	\$824,584

Financial Note:

	IT3010B
Contract Price	\$554,640
Add: HST @13%	72,103
Total Contract Price Including Taxes	626,743
Less: HST Rebate	-62,342
Net Contract Price	<u>\$564,401</u>

Note 1: Ongoing software licensing costs will be funded through the ITS operating budget.


 Jason Davies
 Manager of Financial Planning & Policy