

FINANCIAL MANAGEMENT COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

SUBJECT: CONTRACT AWARD – PROPERTY TAX SYSTEM

RECOMMENDATION:

1. THAT Council authorize the Director Finance, upon final contract negotiations, to execute a contract with The Tempest Development Group Inc. for an estimated total cost of \$3,254,751.33, including taxes in the amount of \$314,457.25 as outlined in this report. Final payment will be based on the actual quantity of goods and services delivered and unit prices as negotiated.

REPORT

The Financial Management Committee, at its meeting held on 2018 April 17, received and adopted the attached report seeking Council authority to execute a contract for the supply, design, configuration and implementation of the Property Tax System, including 10 years of support and maintenance at fixed rates for the term.

Respectfully submitted,

Councillor D. Johnston
Chair

Councillor C. Jordan
Vice Chair

Copied to:	City Manager Director Finance Chief Information Officer City Solicitor
------------	---



Meeting 2018 Apr 17

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2018 April 11

FROM: DIRECTOR FINANCE

FILE: 5820-20

Reference: RFP 165-09/17

SUBJECT: CONTRACT AWARD – PROPERTY TAX SYSTEM

PURPOSE: To request Council authority to execute a contract for the supply, design, configuration and implementation of the Property Tax System, including 10 years of support and maintenance at fixed rates for the term.

RECOMMENDATION:

- 1. THAT** Financial Management Committee recommend Council authorize the Director Finance, upon final contract negotiation, to enter into a contract with The Tempest Development Group Inc. for an estimated total cost of \$3,254,751.33, including taxes in the amount of \$314,457.25 as outlined in this report. Final payment will be based on the actual quantity of goods and services delivered and unit prices as negotiated.

REPORT

The City has been using the current Property Tax System (PTS) since 1989. This system has been substantially modified over the years, but now resides on an outdated platform which can no longer be updated. The City plans to modernize and transform business processes by replacing PTS with a new system. Key to transformation is achieving improvements in process automation, information sharing and a reduction in manual and labour intensive processes so that the City provides efficient, effective and economical services to its stakeholders.

Two submissions responding to a Request for Proposals (RFP) were received by the closing time on 2017 December 06. The work of this contract includes the supply, design, configuration and implementation of a new Property Tax System that covers the following: property information, property taxes, Home Owner Grants, utility charges and taxes, metered water, residential toters, false alarms, local improvement, business improvement, and online bill presentment. Total estimated costs include software licence fees, fixed implementation fees, a small contingency, and support and maintenance fees for a term of 10 years at a fixed rate schedule. Capital costs which include project costs and first year of maintenance including taxes will amount to \$1,519,622.72. Operating costs for years 2-10 for maintenance including taxes will amount to \$1,735,128.61.

To: Finance Management Committee
From: Director Finance
Re: CONTRACT AWARD – PROPERTY TAX SYSTEM
2018 Apr 17 Page 2

City staff have negotiated an agreement in principle on the business terms, and are working to finalize the balance of the contract language. Staff have confidence in the overall negotiations at this time that a contract will be finalized in short order. The department would like to start working with the contractor on preplanning and design while contract terms are finalized in order to ensure the projected implementation date of December 2018.

The recommended company, The Tempest Development Group Inc., has not previously undertaken a contract with the City; however, reference checks and interviews by City staff with the contractor indicate that they have the necessary resourcing to successfully complete the work required under this contract. The Tempest Development Group Inc. has implemented successfully similar products in other municipalities within British Columbia and Alberta.

The proposal from The Tempest Development Group Inc. was the lowest submission and offered the best total value for the City. The Chief Information Officer concurs with this recommendation.

Funding for this project has been previously approved by Council, and will be included in the 2018 – 2022 Financial Plan under WBS element AEA.0089 (\$1,380,220). Operating expenditures, for ongoing support and maintenance fees will be included in future budgets.



Noreen Kassam, CPA, CGA
DIRECTOR FINANCE

GC:CA /ml

Copied to: City Manager
Chief Information Officer
City Solicitor