



Administrative Report

Office of the Director of Financial Services/Treasurer

To: Warden McNamara and Members of Essex County Council

From: Sandra Zwiers, MAcc, CPA, CA
Director of Financial Services/Treasurer

Date: Wednesday, November 17, 2021

Subject: Environmental Systems Research Institute (ESRI)
Enterprise License Agreement Extension

Report #: 2021-1117-FIN-R014-SZ

Purpose

To approve an agreement extension for ESRI (Environmental Systems Research Institute) licenses for the Corporation, as well as the seven local municipalities within the County of Essex.

Background

ESRI is an international supplier of geographic information system (GIS) software, web GIS and geodatabase management applications. The Corporation's GIS department has utilized ESRI software since 2004.

The Corporation and the local municipalities use ESRI licenses to run software such as Geocortex, Cityworks and Burnside.

The Corporation entered into its first Enterprise License Agreement with ESRI on January 1, 2010. The initial and all subsequent agreements were for three-year terms. The proposed extension would represent the fourth extension from the original contract.

The County of Essex hosts most of the ESRI software on its servers for the local municipalities to access. Certain municipalities also host software at the local level.

Discussion

The proposed agreement extension would be for a three-year term commencing January 1, 2022 and ending December 31, 2024 with a total contract value of \$590,000 plus applicable taxes.

Appendix A (Table 1) illustrates the annual cost over the three-year term. The Corporation pays the full contract amount and invoices the locals for their share on an annual basis.

Since inception, the Corporation has subsidized the overall license cost to make fees at the local level more affordable. The amount paid by the Corporation is proposed to remain unchanged at \$80,000 annually. (If the Corporation only paid for the licenses it requires the annual cost to the County would be approximately \$55,000 in 2022.)

Each municipality establishes the level of service they require and the cost allocation in Appendix A (Table 2) reflects the number of licenses requested by GIS staff at the local level. The proposed contract value for the upcoming three-year period has been communicated to each municipality for inclusion in draft 2022 Budgets.

Financial Implications

In accordance with Policy #19-003 (Procurement Policy), direct sourced payments exceeding \$300,000 require approval by County Council.

The justification to continue the contract with ESRI rather than competitively bid this service is based on CFTA Article 513 Section (c) (i) which states:

- A change of supplier for such additional goods or services cannot be made for economic or technical reasons such as requirements or interchangeability or interoperability with existing equipment, software, services or installations procured under the initial procurement.

Recommendation

That Essex County Council approve the direct award of an Enterprise License Agreement Extension for the period of January 1, 2022 to December 31, 2024 to Environmental Systems Research Institute (ESRI) at a value of \$590,000 plus applicable taxes.

Respectfully Submitted

Sandra Zwiers

Sandra Zwiers, MAcc, CPA, CA, Director of Financial Services/Treasurer

Concurred With,

Mike Galloway

Mike Galloway, Chief Administrative Officer

Appendix Number	Title
A	Extension Agreement Pricing Schedule