



To: General Purposes Committee

Date: Nov. 20, 2007

From: Alan Cameron
Director of Information Technology

File: 04-1300-01/2007-Vol 01

Re: Upgrade of Recreation Registration and Electronic Payment Computer Systems

Staff Recommendation

1. The City enter into agreements with The Active Network, Ltd. ("TAN") and any other necessary supporting system service providers to replace the current recreation registration and electronic payment computer systems; and
2. The Director of Information Technology be authorized to execute the necessary agreements.

Alan Cameron
Director of Information Technology
(4096)

Att.

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ROUTED TO:	CONCURRENCE		CONCURRENCE OF GENERAL MANAGER
Finance.....	Y	<input checked="" type="checkbox"/> N <input type="checkbox"/>	
Law.....	Y	<input type="checkbox"/> N <input type="checkbox"/>	
Parks Recreation & Cultural Services	Y	<input checked="" type="checkbox"/> N <input type="checkbox"/>	
Clerks Office.....	Y	<input type="checkbox"/> N <input type="checkbox"/>	
REVIEWED BY TAG	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	REVIEWED BY CAO
			YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

Staff Report

Origin

In July, 1997 the City entered into a partnership with a software development company that later became a division of Telus. The partnership was struck to develop a recreation registration and electronic payment computer software systems. The City's intent was to provide Richmond citizens with the opportunity to register and pay for a number of services either in person or over the Internet. By January, 1998 the software was in use at Richmond Recreation Facilities. In July, 2003 both the recreation registration and a city-wide electronic payment computer system were installed at 20 City facilities and City Hall.

Both public and City use of the system has been extremely successful. The registration system has approximately 150,000 client accounts and collects over \$7 million annually for recreation services. In 2006, the electronic payment system processed over \$400 million of meter billings, permits and licenses, parking tickets, property tax collection and development cost charges.

In May, 2006 Telus informed the City that they would cease development of the systems and that they were planning to divest themselves of both the systems and client base. Telus made the decision to cease development after encountering significant development challenges trying to upgrade the systems and after incurring significant associated costs.

In December, 2006 Telus signed an asset purchasing agreement with The Active Network, Ltd. (TAN) to transition Telus systems to TAN.

Analysis

Staff from Information Technology and Parks, Recreation and Cultural Services researched the recreation system market and identified potential replacement registration and electronic payment system providers including RecTrac, AEK and TAN. The research also identified several significant TAN clients in British Columbia and Washington State who described TAN products as an optimal fit for their City's operations. City staff also identified TAN products as the best fit for Richmond.

Currently, TAN products are being used by all Metro Vancouver Municipalities. TAN is a market leader in municipal software with over 1,500 installations in North America.

TAN has committed support for the existing City systems until December, 2007. TAN has also offered the City a substantial credit for trade-in of existing systems as an incentive to upgrade to their suite of products.

In January, 2007 City staff entered into discussions with TAN to upgrade the current Telus software to the TAN software.

The following TAN software proposal has been presented to the City:

- City of Richmond will receive a software credit note for \$644,500 which will be valid until December 31, 2009.
- the City will pay 15% support costs initially and transition to the typical 25% supports costs over a period of 7 years.

In order to support the implementation of the TAN software, the City will also wish to negotiate and execute contracts and documentation for supporting system requirements for additional software, hardware, professional services, third party report development, training, documentation, installation and configuration, data conversion and system integration.

Implementation

Parks, Recreation and Cultural Services staff will develop a comprehensive communication plan to ensure that their stakeholders and partners are well informed about the implementation process.

Financial Impact

Task	Cost
Quoted software purchase cost Less credit from Active Networks	\$644,500 (644,500)
Additional software requirements	\$100,000
Hardware requirements	\$100,000
Professional services	\$280,000
Third party report development	\$150,000
Implementation (Training, documentation, installation and configuration, data conversion and system integration)	\$200,000
Additional system customization (GST, flow of funds, Internet options)	\$100,000
Staff secondment	\$120,000
Total implementation and development costs ¹	\$1,050,000

The funding approved in the 2007 Capital Plan (Project #40575) is sufficient for the estimated costs of implementation and development of the TAN products.

The current software operating cost for annual maintenance is \$84,000. This amount will rise to \$114,000 over 7 years, representing a yearly incremental increase of \$3,200.

¹ It should be noted that the annual support costs are not included in these calculations.

Conclusion

The City's current recreation registration and electronic payment computer systems are obsolete and will not be supported by the vendor effective January, 2008. TAN, the new vendor for these systems, has provided the City with an upgrade path (which includes a substantial financial incentive) to replace the systems with current TAN products. Upgrading to the TAN suite of products enables the City to continue to provide critical recreation and payment systems to meet current and future needs.



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