



To: General Purposes Committee **Date:** July 25, 2023
From: Grant Fengstad **File:** 04-1300-01/2023-Vol
 Director, Information Technology 01
Re: Award of Contract 8228 NOITC – Oracle Enterprise Performance Management
 (EPM) Subscription Contract

Staff Recommendation

1. That Contract 8228 NOITC – Oracle Enterprise Performance Management (EPM) Subscription Contract be awarded to Oracle Canada Inc. for an aggregate contract value of \$993,031 excluding taxes, for a contract term of five years from August 31, 2023 to August 30, 2028 as described in the report titled “Award of Contract 8228 NOITC – Oracle Enterprise Performance Management (EPM) Subscription Contract”, dated July 25, 2023 from the Director, Information Technology; and
2. That the Chief Administrative Officer and General Manager, Finance and Corporate Services be authorized to execute the contract with Oracle Canada Inc.

Grant Fengstad
 Director, Information Technology
 (604-276-4096)

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Purchasing Finance Department	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

The Budget Planning and Monitoring Solution project was previously approved by Council in 2019 to replace the outdated Budget and Capital Model that has been in place numerous years.

A new software platform is needed to incorporate;

- (a) Operating and Utility Budgets,
- (b) Capital budget,
- (c) 5 Year Financial Plan and
- (d) 5 Year Financial Plan Amendment

The new platform will create efficiencies to facilitate the preparation of Reports to Committee, which includes the City's 5 Year Financial Plan. The City can leverage the integration functionalities to connect Oracle EPM with PeopleSoft Finance & Supply Chain Management System (FSCM) and PeopleSoft Human Capital Management System (HCM) for salary budgeting.

The purpose of this report is to present the results of the Proof of Concept study of the Oracle EPM platform, and provide a recommendation for the award of a contract to Oracle Canada Inc. as the City's standard software platform for the Budget Planning & Monitoring Solution project.

This report supports Council's Strategic Plan 2022-2026 Focus Area #4 Responsible Financial Management and Governance:

Responsible financial management and efficient use of public resources to meet the needs of the community.

4.1 Ensure effective financial planning to support a sustainable future for the City.

4.2 Seek improvements and efficiencies in all aspects of City business.

4.3 Foster community trust through open, transparent and accountable budgeting practices and processes.

Analysis

The City has deployed multiple products by Oracle Canada Inc. within the last decade, such as PeopleSoft Human Capital Management (HCM), PeopleSoft Financial and Supply Chain Management (FSCM), Oracle Taleo Acquisition and Customer Relationship Management (CRM). This brings consistency to users across applications and ensures that data between different applications can be integrated for reporting and analysis. Choosing the recommended EPM Oracle platform will benefit the City with preferential pricing through the existing service

negotiated by City staff. For these reasons, Oracle EPM was selected for a Proof of Concept (POC) study.

Proof of Concept Study

A Proof of Concept study was carried out from Sep 27, 2021 to April 29, 2022 using the Oracle EPM Cloud platform. The purpose of the POC was to verify the platform's functional and technical compatibilities, and ensure compliance with the City's requirements and standards.

During the POC, the EPM Cloud application was setup based on the user requirements and the project team reviewed the solution with use cases for Salary Budget, Budget Reporting, Budget Related Reporting and Projection, Capital Budget, 5 Year Financial Plan and User Budget Submission Package. The project team also contacted current users of the platform, Simon Fraser University and City of Maple Ridge to verify their experience of implementing and using the EPM solution.

POC Findings

The POC identified that the Oracle EPM Cloud platform:

- is capable of integrating with the City's ERP so transaction data can be used for budgeting purposes
- has robust and flexible security capabilities to restrict data access
- has sophisticated formulas and calculations to facilitate the budgeting process
- enhances budget forecast capability and reliability with what-if scenarios
- allows electronic approval workflow
- combines operating budget and capital budget for reporting

In conclusion, the EPM Cloud platform reduces manual calculations and provides automation functionality for budget report generation. It reduces time required to prepare budget analysis and reports, incorporates budget forecast into the same system and eliminates time lag between when plans are updated and reports are refreshed. It is compatible with the City's technical infrastructure as it relates to Single Sign On, integration and application security.

Therefore, staff recommends Oracle EPM Cloud platform as the City's Budget Planning and Monitoring Solution.

Notice of Intent to Contract

A Notice of Intent to Contract (NOITC) was posted to BC Bid, from June 29, 2023 to July 10, 2023, informing the public that the City is intending to purchase a subscription license with Oracle Canada Inc. for the EPM platform. No challenges were received during the posting period.

Financial Impact

A five-year contract leverages the City's existing Oracle Cloud Services Agreement signed on July 25, 2019. The estimated total cost of the proposed contract over 5 years is \$993,031 starting August 31, 2023. The table below shows the distribution of the cost over the 5-year term.

Table 1 – Estimated Total Cost over Five-Year Subscription Contract Term

Description	Costs
Software Subscription Cost – Year 1 (10 licenses)	\$49,143
Software Subscription Cost – Year 2 (200 licenses)	\$235,887
Software Subscription Cost – Year 3 (200 licenses)	\$235,887
Software Subscription Cost – Year 4 (200 licenses)	\$235,887
Software Subscription Cost – Year 5 (200 licenses)	\$236,227
Total Contract Value	\$993,031

The funding for this contract has been previously approved by Council within the operating budget.

Conclusion

Oracle Canada Inc. is the proprietary owner of the Oracle EPM product, and is the only supplier delivering the services and maintaining the platform for which no other substitute exists. Staff recommend awarding the subscription contract to Oracle Canada Inc. for \$993,031.00, exclusive of taxes, for the five-year contract term.



Kathy Hui
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