



COUNCIL REPORT

Report Date: December 20, 2024
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Meeting Date: January 22, 2025
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TO: Standing Committee on Policy and Strategic Priorities

FROM: General Manager of Development, Buildings and Licencing and Chief Procurement Officer

SUBJECT: Change Order for Consulting Services for ServiceNow Resources Augmentation

Recommendation

THAT Council receive this report for information.

Purpose and Executive Summary

Deloitte Inc. was contracted on July 23, 2023 for ServiceNow resource augmentation as part of an integrated team approach for the modernization of permitting and licensing services under the Digital Transformation Program (DTP). The Deloitte team members provide ServiceNow expertise integral to the design and delivery of key permitting and licensing services via the ServiceNow platform.

A change order with a value of \$952,000 has been approved by Bid Committee on behalf of Council and the Deloitte contract extended from February 1, 2025 to June 30, 2025 to continue providing resource augmentation services focusing on: (1) the development and delivery of quarterly service releases across Permitting and Licensing streams; (2) any prioritized digital business service capabilities; and (3) providing support for continued enablement of the City's ServiceNow platform through development of enterprise components, governance, and training.

The Procurement Policy requires that If the Bid Committee makes a contract award using its extended authority during Council recess, the award will be reported by the Chief Procurement Officer to Council at the next scheduled Council meeting.

Council Authority/Previous Decisions

On December 19, 2024, the Bid Committee invoked its extended authority under Section 12.6 of the City's Procurement Policy (ADMIN-008), which provides that Bid Committee may award a contract on behalf of Council where Council is not scheduled to meet again for another four weeks. On behalf of Council, Bid Committee approved a change order to the Deloitte Inc. contract with an estimated value of \$952,000 bringing the cumulative contract award value to \$3,894,170, plus taxes with funding available from the Technology Services capital budget. The City's Procurement Policy (ADMIN-008) requires that if an award is made under the extended authority of Bid Committee during Council recess, the contract award will be reported to Council at the next scheduled meeting.

City Manager's Comments

The City Manager concurs with this report.

Context and Background

ServiceNow has been the City's enterprise service management platform since 2017, serving the City's Technology Services processes and other business units.

With the objective of the modernization of permitting and licensing services under the Digital Transformation Program (DTP) the work has focused on an iterative design, development, and enhancements of the digital business services, leveraging key City platforms, such as ServiceNow.

Discussion

Deloitte Inc. was contracted on July 23, 2023 for ServiceNow resource augmentation as part of an integrated team approach for the modernization of permitting and licensing services under the Digital Transformation Program (DTP). The Deloitte team members provide ServiceNow expertise integral to the design and delivery of key permitting and licensing services via the ServiceNow platform.

Deloitte was initially engaged through a contract had an estimated value of \$1,042,520 plus applicable taxes, over a six (6) month term until December 22, 2023. The contract has been extended to January 31, 2025 to continue the work, through a change order and amendments representing a cumulative contract value of \$2,842,170 plus applicable taxes.

DTP is focusing on key City priorities pertaining to permitting and licencing, including:

- Residential construction, including the construction of laneway houses, single detached homes, duplexes
- Residential rental services such as long-term rental applications and renewals
- Licence services required to operate a business, including the application of new licences and renewals.

Iterative evolution of the exploration, application, and review processes in these services have yielded material improvements to customer experience and staff effectiveness. This is observed through reduction of work backlog, timelines, and improved customer satisfaction.

Deloitte, guided by CoV staff, have played a key role in advancing ServiceNow as a platform, fostering best practices in Solution Architecture and creating reusable components that streamline onboarding other city services.

A second change order (Change Order #2) which is the subject of this report, was executed on December 19, 2024 and extends the contract for a five (5) month period from February 1, 2025 - June 30, 2025, with an estimated value of \$952,000 plus applicable taxes, bringing the cumulative contract value to \$3,894,170, plus applicable taxes.

The change order and six-month Deloitte contract extension allows augmenting the DTP team to achieve the following:

- Continue the development and delivery of quarterly service releases across Permitting and Licensing streams and any prioritized digital business service capabilities such as:
 - residential rental services, including short-term rentals
 - residential construction, including multiplexes
- Provide support for continued enablement of the City's ServiceNow platform through development of enterprise components, governance, and training
- Help to solidify the workplan until mid year 2025 and determine the next steps for the program as it is anticipated that services will be required beyond June 30, 2025.

Financial Implications

Financial Planning & Analysis (FP&A) has reviewed the cost of the goods and/or services and concurs that the budget is available from the TS capital budget.

Legal Implications

The City's Procurement Policy (ADMIN-008) requires that change orders are approved taking into consideration the value of the original contract plus all of the cumulative change orders to date. Additionally, the policy requires that all contracts with a total value greater than \$3,000,000 are approved by Council and that the Director of Legal Services executes all contracts that have been awarded by Council.

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