



COUNCIL REPORT

Report Date: September 15, 2025
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VanRIMS No.: 08-2000-20
Meeting Date: October 8, 2025
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TO: Standing Committee on City Finance and Services
FROM: Deputy City Manager and Chief Procurement Officer
SUBJECT: Amending Agreement (No. 1) to Fujitsu Consulting (Canada) Inc. First Modification Agreement for the Provision of an Enterprise Service Management Platform

Recommendations

THAT Council authorize City staff to negotiate an extension of the Term and modification of the original Fujitsu Consulting (Canada) Inc. Services Agreement dated November 3, 2017, as previously extended and modified by the First Modification Agreement dated November 2, 2022, by an additional two (2) years. Fujitsu Consulting (Canada) Inc. provides authorized Reseller services for ServiceNow SaaS enterprise services management software, and implementation and other support services for the use of that software. The value of the two (2)-year contract extension is \$2,771,680.80, to be funded from the operations budget, and will result in an estimated new total contract value of \$5,542,588.04 over a five (5) year period;

FURTHER THAT Council delegate its authority to execute the Amending Agreement (No. 1) to the City's Director of Legal Services, Chief Procurement Officer, and Deputy City Manager.

No legal rights or obligations will be created by Council's approval of the above Recommendation unless and until the City executes and delivers the Amending Agreement (No. 1).

Purpose and Executive Summary

The City uses the ServiceNow Inc. Enterprise Service Management software platform to automate and streamline workflows across different department operations and deliver core business processes such as applying for a business license, renting out residential property, applying for building permits (e.g. duplex, multiplex, laneway house, etc.), and making an FOI request. Fujitsu Consulting (Canada) Inc is the authorized reseller for the software and provides licensing and consulting services for its use.

Staff recommends that the City exercise its option to extend the Fujitsu Consulting (Canada) Inc. contract term for two (2) successive periods of one (1) year each, after the initial three (3)-year contract term, as provided for in the First Modification Agreement dated November 2, 2022.

Council Authority/Previous Decisions

The City's Procurement Policy (ADMIN-008) requires Council approve contracts with a total value greater \$3,000,000 following review and recommendations by the City's Bid Committee.

There is no applicable Council authority or previous decisions related to this report.

City Manager's Comments

The City Manager concurs with the foregoing recommendations.

Context and Background

Background

Since 2017, the City has been using the ServiceNow Inc. Enterprise Service Management software platform pursuant to an existing services agreement between the City and Fujitsu Consulting (Canada) Inc., by which Fujitsu, acting as an authorized reseller for the software, provides licensing and consulting services for its use.

Context

The ServiceNow platform helps various City operations to automate and streamline workflows across different departments, acting as a single unified system to manage processes and connect various applications and data to improve operational efficiency, productivity, and user experience within the City. The City currently utilizes many independent third-party applications (e.g. 'Amanda' for business licenses and permits; 'Tempest' billing & customer information system; and 'Hansen' for Engineering Services' infrastructure asset management), some of which are manual systems which make it difficult to see end-to-end processes. The ServiceNow unified platform allows City staff as well as the public to efficiently check & track the status (e.g. 'reviewed', 'in-progress', 'completed') of services including Building Permits, Business Licenses, short/long term rental applications, or a request from the public (e.g. FOI request).

During the last eight (8) years, City staff have used ServiceNow to modernize, manage and deliver an increasing number of operational and public services. Initially, this implementation was focused on modernizing internal service delivery and management within IT and other business units, such as Development, Buildings and Licensing and the FOI Office, but in recent years has increasingly been used to modernize public-facing digital service delivery as well, through initiatives such as the Digital Transformation Program (DTP) to streamline permitting and business licensing applications online.

For example, by leveraging ServiceNow to modernize the permit application process for new single detached home construction, DBL has been able to reduce the time to permit issuance by 5 weeks (33% improvement), and for duplexes by 11 weeks (28% improvement). For business licensing, close to 11,000 applications have been processed using ServiceNow in the 2.5 years since that service went live, and DBL has been able to reduce processing times from 10+ days to one day.

Additionally, City staff use the ServiceNow platform to modernize and deliver core business processes including but not limited to IT, VPD IT, HR, Finance, and Privacy. For example:

- Technology Services projects and project resources are managed on ServiceNow, allowing the City to align with Industry best practices and modernise from managing projects via spreadsheets.
- IT Operations are tracked and managed on ServiceNow, with an average of 103,000 IT tickets (requests and incidents) per year. An average of 2000 IT Change Requests per year are reviewed reducing the risk of unintended outages or downtime.
- ServiceNow is also used to automatically discover and update servers and network infrastructure (previously maintained manually). Desktop computer assets are also tracked and maintained, previously managed via spreadsheets.
- Reservations for hotelling desks in four city buildings are also managed via ServiceNow.

Usage/volumes have increased across most of the ServiceNow modules:

- In 2022, the City's (ITSM) "Standard" licenses were uplifted to the (CSM) "Pro" licenses, and user license counts increased by 165% as implementation expanded throughout the City, required to support to the DBL digital transformation initiatives;
- ServiceNow is used both internally and externally, and by more departments beyond TS (e.g. VPD, HR, Finance including payroll and benefits), DBL (business licencing and permitting services), ATIP (FOI Case Management);
- Due to a change in the support model provided by ServiceNow, software support costs have been increased by \$125,000 annually; and
- data transaction costs related to online business licencing and permitting services provided by DBL have been increased by \$104,000 annually.

The table below summarizes the history of contract spend to-date, and the estimated new contract value:

Nov 2, 2022 – Nov 1, 2027 Estimated Contract Value (excl. tax)	
Original contract value	\$1.83M
Cumulative change orders to date (Change Orders 1-8, inclusive)	\$0.94M
Amending Agreement (No. 1) value	\$2.77M
New contract value	\$5.54M

Financial Implications

Finance has reviewed and confirmed that funding is available from a combination of existing Operation budget and licensing fees revenue noting that the annual estimated cost during the

extension period is approximately \$0.32M higher than recent historical levels due to the factors noted above.

Legal Implications

The City's Procurement Policy (ADMIN-008) requires the Director of Legal Services to execute all contracts that have been awarded by the Bid Committee and Council.

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