



REPORT

REPORT TO: Chair and Members of the Community and Corporate Affairs Committee

REPORT FROM: Wendy O'Donnell, CPA, CGA, Deputy Treasurer
Murray Colquhoun, Director of Information Technology Services

DATE: January 31, 2020

REPORT NO.: CORPSERV-2020-0007

RE: Tax Software Award of Single Source Contract

RECOMMENDATION:

THAT Report No. CORPSERV-2020-0007, dated January 31, 2020 regarding Tax Software Award of Single Source Contract, be received;

AND FURTHER THAT the Senior Manager of Purchasing & Risk Management be authorized to issue a single source purchase order to CentralSquare Canada, 150 Water Street South, Suite 101, Cambridge ON, N1R 3E2 to an upset limit of \$350,000 plus HST for the implementation of the Tempest Tax software;

AND FURTHER THAT the Senior Manager of Purchasing & Risk Management be authorized to issue a single source purchase order to CentralSquare Canada, 150 Water Street South, Suite 101, Cambridge ON N1R 3E2 for annual hosting maintenance in the amount of \$91,350 plus HST for the second year and subject price negotiations and satisfactory performance for each year thereafter;

AND FURTHER THAT Council pre-approves an additional \$72,000 increase to the 2021 operating budget for annual hosting maintenance and support;

AND FURTHER THAT the Mayor and Clerk be authorized to execute the necessary contracts and any ancillary documents.

BACKGROUND:

Since 1998, the Town has used the Vailtech system for the administration of property tax billing and collection. Vailtech is currently used to manage more than 23,000 accounts and over \$127,000,000 in revenue for the Town, Region and School Boards.

The Vailtech system is no longer compatible with many newer technologies; staff has had to implement numerous workarounds to maintain basic operations. In addition, there is lack of support and responsiveness from the vendor. Vailtech has also failed to develop their product over the years and the system is limited with respect to its ability to improve both the staff and taxpayer experience.

Although the system is stable, with minimal imminent risk of failure, the current state is not sustainable and proceeding as-is for an extended period will increase the risk to Revenue and Taxation's ability to manage the Town's assessment base.

Through the 2017 and 2019 Capital Budget process, \$500,000 has been approved for the replacement of the tax software system.

COMMENTS:

Work was undertaken in 2019, led by Information Technology Services in partnership with Revenue and Taxation and other key stakeholders, to develop a strategy for the replacement of the Town's tax software system. The current offering of property tax software in the marketplace is extremely limited and two viable alternatives only became available in 2019. The other vendor is the software developed by the City of Mississauga called TXM. This software would meet the Town's needs but is cost prohibitive and not within the approved funding for this project. Since some vendors are not responding to Request for Proposals, significant effort was required to complete a thorough evaluation internally.

Staff is recommending that the Town proceed to work with CentralSquare for the purchase and implementation of their tax software – Tempest. The software's functionality, the vendor's commitment to developing and supporting the product, as well as the cost/benefits expected, contribute to a solution that can meet the Town's current and future needs. This initiative will result in the Town having a modern, dependable property tax software that can deliver better and more efficient services.

Tempest is expected to enable various self-serve/online services for taxpayer; however, the first priority will be to implement a stable tax system to deliver on all of the core functions. If possible, some self-service functions may be implemented at the same time as the new system. Once the system is in place, staff will continue to evaluate and plan for the implementation of additional self-service options.

CentralSquare has committed to an implementation of January 2021 and continue to work with staff on enhancements during 2021 and beyond. The Town currently works with CentralSquare for the Town financial system. Chatham-Kent has entered into a

contract for development and implementation of the Tempest Tax software for a go-live on January 2021 and the City of Windsor is working with CentralSquare on the development of this software.

RELATIONSHIP TO STRATEGIC PLAN:

This report supports the Strategic Plan as follows:

- Effective, efficient and economic delivery of the Town's existing services

FINANCIAL IMPACT:

Total approved capital budget for the replacement of the Town's tax software is \$500,000.

The following outlines the estimated costs:

Capital Project	
Tax System	Central Square Proposal
Hosting Maintenance and Support Year 1	\$72,000
Implementation	\$200,000
eServices	\$27,500
Travel	\$17,100
Contingency	\$33,400
TOTAL	\$350,000

The remaining budget funds will be utilized for potential resource backfilling to support the implementation of the system and eService development.

The Operating budget going forward will have an impact of \$72,000 for the hosting maintenance and support of this cloud based system.

CONSULTATION:

Staff from ITS and Revenue and Taxation worked together to investigate viable options. Staff reviewed software from a variety of municipalities. These site visits occurred in 2019. The Senior Manager of Purchasing and Risk Management worked with the team through the negotiations with the vendor and is in agreement with the award. The Treasurer was consulted on the on the financial impacts of this project.

SUSTAINABILITY IMPLICATIONS:

The Town is committed to implementing our Community Sustainability Strategy, Imagine Halton Hills. Doing so will lead to a higher quality of life.

The recommendation outlined in this report is not applicable to the Strategy's implementation.

COMMUNICATIONS:

Purchasing staff will advise CentralSquare Canada of the purchase order subsequent to Council's approval of this report.

CONCLUSION:

As a long-term solution, it is recommended that the Town implements CentralSquare's Tempest Software as a replacement for the Town's current system. It is recommended that the Town proceeds with a single source acquisition of Tempest.

Reviewed and Approved by,

A handwritten signature in black ink, appearing to read "Jane Diamanti". The script is cursive and fluid.

Jane Diamanti, Commissioner of Corporate Services

A handwritten signature in black ink, appearing to read "Brent Marshall". The script is cursive and fluid.

Brent Marshall, Chief Administrative Officer