



City of Hamilton Report for Consideration

To: Chair and Members
Audit, Finance and Administration Committee

Date: July 10, 2025

Report No: **FCS25035**

Subject/Title: **Single Source Agreement for Questica Budget System**

Ward(s) Affected: (City Wide)

Recommendations

- (a) That the single source procurement, pursuant to Procurement Policy #11 – Non-Competitive Procurements, **BE APPROVED**, for the continued operating, support, maintenance and enhancement of the Questica Budget system, including the cloud migration and version upgrade, for a five-year term from August 31, 2025, to August 30, 2030 with an additional five-year renewal term option;
- (b) That the General Manager, Finance and Corporate Services, **BE AUTHORIZED** to negotiate, enter into and execute a Contract and any ancillary documents required to give effect thereto with Euna Solutions, in a form satisfactory to the City Solicitor;
- (c) That the funding for the enhancement of the Questica Budget system in 2025 be provided through the Tax Stabilization Reserve (#110046), **BE APPROVED**; and
- (d) That staff **BE DIRECTED** to develop a funding strategy for the enhancement of the Questica Budget system for Years Two through Year Five for consideration through the 2026 Tax Budget.

Key Facts

- The purpose of Report FCS25035 is to seek approval to single source a five-year agreement with the option to extend an additional five years, with Euna Solutions for the Questica Budget system.
- The current agreement with Euna Solutions expired on August 30, 2024.

- Use of the software has continued, pending approval of renewal.
- The new agreement will include cloud migration, system upgrade and continued operating, support and maintenance.
- Euna Solutions is the sole provider of the Questica platform and support.
- A single-source contract ensures continued service without operational disruption.

Financial Considerations

The five-year contract includes an annual cost as outlined in the recommendation section, totalling approximately \$784,898 over five years plus applicable taxes. The annual cost of \$148 K in 2026 represents an impact to the tax levy of 0.01%. Services provided include hosting, maintenance, sandbox environment and Read-Only SQL Access. Additional one-time services such as site migration, Single Sign-On and integration support are estimated at \$8,250, billed at \$250 / hour on a time and materials basis. There are no staffing implications for the Finance, Procurement, or Legal Services and Risk Management Division.

Background

In 2016, the City issued a Request for Proposal (RFP) C2-02-16, for an operating budget solution. Three bids were evaluated, with two meeting the minimum benchmark set out in the RFP; Public Sector Digest (PSD); and Questica Inc. (Questica). On November 27, 2019, Council approved, upon a successful proof of concept, a five-year single source agreement with Questica Inc., who were later acquired by Euna Solutions, for the City's Budgeting and Forecasting System (Report FCS19066(a)). In 2023, through a CityLab project, an evaluation of Questica and other alternative solutions was undertaken. The determination from that work was that Questica was the best fit for our organization at that time. That agreement expired on August 30, 2024. Report FCS25035 recommends renewing a similar agreement with additional enhanced features.

Analysis

Procurement Policy, Section 4.11(2) – Policy #11 Non-Competitive Procurement requires that Council approve a single source negotiation request that is valued at \$250,000 or greater.

Euna Solutions is the sole vendor and intellectual property holder of the Questica Budget platform and is, therefore, the only qualified provider able to offer the services and enhancements needed by the City. This includes software upgrades, new module development (such as the Strategic Budgeting Module), cloud migration, system security improvements and ongoing integration work. As such, no alternative vendor can provide the necessary continuity or system-level access to perform the proposed work.

In 2019, Council approved a similar single source agreement with Questica after a successful proof-of-concept validated its ability to address the shortcomings of the previous vendor and integrate with the City's capital budgeting framework. Since then, the system has supported both operating and capital budgeting processes, with minimal disruption and increasing value through user familiarity and cross-divisional integration.

This new agreement also supports the City's "Build Back Better" approach. Modernizing legacy systems and moving toward cloud-based infrastructure is a key component of the City's recovery strategy. In alignment with this approach, the agreement ensures Questica will be integrated with the new medium-term ERP platform (NetSuite).

Staff acknowledges that a broader review of budgeting system requirements may be required once the long-term ERP is implemented. Prior to exercising the additional five-year renewal term option, staff commit to performing a market scan for other budgeting system providers and complete due diligence to support any extension with Questica. This future review will evaluate Questica's long-term alignment with enterprise needs. However, at this time, maintaining stability and operational continuity is essential, particularly during the medium-term ERP transition and implementation.

The proposed agreement supports system modernization and aligns with the City's IT strategy. IT and Procurement staff have reviewed and support this approach.

Alternatives

Alternative Option: One-Year Agreement with Renewals

A one-year agreement with a variable annual rate renewal option is available, beginning August 31, 2025, at an estimated cost of \$151,417 for services for year one and \$8,250.00 for one-time estimated professional services. This provides budgeting flexibility but increases administrative overhead and cost variability. It may also delay the benefits of cloud migration and strategic budgeting module deployment. This alternative would also limit our ability to complete a market scan of other budgeting systems and complete the due diligence needed to support a decision for either an extension or Request for Proposal to be undertaken.

Relationship to Council Strategic Priorities

- **Responsiveness & Transparency:** Modernizes City Systems, improves internal service delivery by leveraging cloud infrastructure, enhances data integrity, and enables better financial forecasting.
- **Economic Prosperity and Growth:** Supports strong internal financial management practices.
- **Built Environment and Infrastructure:** Enhances digital infrastructure for corporate services.
- **Organizational Excellence:** Promotes service efficiency and informed decision-making.

Previous Reports Submitted

- FCS19066: Budgeting and Forecasting – September 5, 2019, Audit, Finance and Administration Committee – Confidential Item 14.2
- FCS19066(a): Budgeting and Forecasting – November 21, 2019, Audit, Finance and Administration Committee – Confidential Item 14.2

Consultation

- Financial Planning, Administration & Policy
- Information Technology
- Procurement Services

Appendices and Schedules Attached

None

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