

6

PORTAL BUSINESS PLAN

The Finance and Administration Committee recommends that:

- 1. the presentation from Louis Shallal, Chief Information Technology Officer and Hal Dremin, Principal, Connected Insight Inc., be received; and**
- 2. recommendations 1 and 2 contained in the following report, May 22, 2007, from the Commissioner of Finance be deleted and replaced with the following recommendations:**
 - 1. Approve proceeding with the procurement of a joint portal solution for York Region and the Town of Markham.**
 - 2. Direct the Regional Clerk to distribute this report to all the local municipalities in York Region asking them to indicate by September 20, 2007 whether or not they are interested in participating in the procurement of a joint portal solution.**
 - 3. The Commissioner of Finance report to the October 4, 2007 meeting of the Committee on the interest of the local municipalities and the issuance of a Request for Proposals for the procurement of a joint portal solution.**

1. RECOMMENDATIONS

It is recommended that Regional Council:

1. Approve proceeding with the procurement of a joint portal solution for York Region and the Town of Markham provided there is also participation from the majority of the local municipalities of York Region.
2. Direct the Regional Clerk to distribute this report to all the local municipalities in York Region asking them for participation in the procurement of a joint portal solution.

2. PURPOSE

The purpose of this report is to seek Regional Council directions on the development of a joint portal among the local municipalities and York Region and more specifically to obtain Regional Council approval to:

- a) Initiate and implement a procurement process for the joint portal solution subject to the condition in recommendation 1.
- b) Develop a shared services agreement with the Town of Markham and other local municipalities that join the portal solution clarifying the roles and responsibilities of the partners in the shared service.

3. BACKGROUND

The genesis of York Region's involvement with this project was the OneYork initiative and the vision of providing enhanced IT services among the local municipalities and the broader MUSH sector. The subject of developing a portal for the Town of Markham jointly with York Region was discussed by the General Committee of Markham Council and the following recommendations of staff of the Town of Markham were approved by their Council on Tuesday, February 28, 2006.

That the following recommendations be adopted:

- 1) *In 2006, work with the Region to create the governance, define portal requirements and begin implementation in 2006 on a Shared Portal Solution.*
- 2) *The process should be open to other OneYork partners at the right time*
- 3) *An RFP should be issued to ensure that the portal that provides the best value is selected.*

ITS staff of York Region believe that a portal for the region should be developed jointly with area municipalities as most of the direct "retail" services are delivered at the local level as opposed to the "wholesale" services provided by the Region. Regional staff therefore supported the recommendations from the Town of Markham. A report of York Region staff to the Finance and Administration Committee meeting of April 6, 2006 was approved by Regional Council and it recommended that York Region join the Town of Markham in developing a Business Plan for a portal to serve the residents and businesses of the region at a cost not to exceed \$75,000.

A consultant (Connected Insight Inc.) was retained through a joint procurement process that used the templates and resources of the Town of Markham Supplies and Services and an agreement was entered into with the consultant to produce the portal business plan. The study was initiated in the Fall of 2006 and was completed in February 2007. The total cost of the study was \$89,951.60.

York Region and the Town of Markham formed a Joint Portal Steering Committee (JPSC) for the purposes of investigating the potential implementation of portal technology as a milestone in electronic service delivery and another step in the transformation towards eGovernment.

Town of Markham's JPSC membership was comprised of:

- Janet Carnegie (Director, Corporate Communications)
- Rick Dominico (Manager, Corporate Quality, CAO's Office)
- Bob Henderson (Markham Public Library)
- Nasir Kenea (Manager, Applications and GIS, Corporate Services)
- Peter Loukes (Director, Operations, Community and Fire Services)
- John Wright (Director, Building Standards, Development Services)

York Region's JPSC membership was comprised of:

- Bonnie Anderson (Manager of Business Services, Corporate Services)
- Joanne Armstrong (Manager, Administrative Services, Health Department)
- Jayne Blackburn (Manager, ERP Financial Systems Development and Support, Finance Department)
- Joanne Bovair (Acting Director of Business Services, Community Services & Housing Department)
- Mark Christiansen (Enterprise Architect, Finance Department)
- Michelle Herder (Program Manager, Corporate Customer Service Strategy, CAO's office)
- Ron Huber (Manager, Information Technology, York Regional Police)
- Bob McClelland (Director, Business Support Services, Transportation and Works Department)
- Duncan Rowe (GIS Project Manager, Geomatics)
- Andrew Satterthwaite (GIS Business Analyst, Geomatics)
- Louis Shallal (Director ITS Branch, Finance Department)

This report is based on the findings from the above noted study.

4. ANALYSIS AND OPTIONS

All levels of government in Canada are moving aggressively towards solutions that provide seamless service to people using programs and services across several agencies. Canada has embraced the Internet. Increasingly Canadian citizens and businesses are coming to expect the substitution of paper forms, facsimiles and telephone calls in favour of interacting with government online. The transformation to "government online" is being driven by consumer demand, rapidly evolving technological capabilities and increased government confidence in matters related to privacy and security.

4.1 Options

Pragmatically, there are three e-government alternatives for York Region, Markham and other local municipalities to consider:

Do nothing (maintain existing websites). This alternative is less resource-intensive in the short-term and will allow the partners to divert capital investment to other opportunities. However, this alternative is misaligned with the partners' strategic plans for technology leadership and may create the perception that the partners are technology followers. As well, existing websites have a limited capacity to meet future growth.

Implement separate portals. This would entail less cross-jurisdictional coordination with fewer stakeholders to satisfy. However, this alternative would prove more expensive and is estimated to be a 30-60% premium for each partner versus shared portal. Furthermore, it fails to demonstrate a cross-jurisdictional partnership.

Implement a joint portal. A joint portal cost is estimated to be 30-60% lower for each partner versus separate portals. As well, portal services support the partners' strategic goals and objectives and demonstrate willingness to partner to the benefit of the taxpayer. On the

other hand, a joint portal would be realized through a large, complex and challenging multi-year project with numerous stakeholders to satisfy.

It was on the basis of a comprehensive analysis of the above three options described more fully in the Portal Business Plan that Connected Insight Inc. (the Consultant) recommended to implement a joint portal. It must be emphasized that the Business Plan was developed by the Consultant solely on the basis of the mandatory requirements of York Region and the Town of Markham.

4.2 Analysis

Fundamentally, there is a unique opportunity for York Region to lead and pave the way for the area municipalities to join forces and to share the costs, risks and benefits of shared portal infrastructure. York Region will play this role for the benefit of all the residents of the region. Most of the services on the joint portal would be those provided by the area municipalities and the opportunity for each area municipality to save 30-60% of the portal costs is compelling. Furthermore, the level of cooperation proposed and anticipated from such joint initiative by the partners, indeed between levels of government, is exceptional. York Region, Markham and the area municipalities would establish and build a common framework to enable present and future development in their respective online services.

At present the area municipalities and York Region may not be able to provide the level of online services that internal and external customers expect. Limited integration of current systems/services creates the impression that the municipal governments in York Region are lagging. Opportunities to substantially improve productivity and increase efficiencies in online service delivery cannot be fully realized with existing web technology.

Significant analysis have been completed in this Portal Business Plan to determine whether sufficient business value would likely be delivered by a joint web portal. The end users would include both those who work within the partner organizations and other organizations. However, the most significant group to benefit from a portal are citizens and businesses who wish to interact with their municipal governments on their own terms and regardless of which level of municipal government provides a particular service. Once implemented, the portal is expected to make available a dynamic, personalized gateway to access municipal information and conduct regional government services and transactions.

A shared portal stems from the recognition that government operations need to be modernized and traditional information silos be eliminated within and between levels of government. Also, interagency, interdepartmental and intergovernmental information flow must improve so that taxpayers have a single point of entry for government services.

Presently the online capability gaps of municipal governments in York render existing business processes less than optimal. Furthermore, constituents are paying a premium to maintain two online technological infrastructures. If the municipalities in the Region wish to compete with other municipalities across the Province and Canada, they must invest in upgrading their online offering. Many municipalities across Canada have upgraded or are

upgrading to portal technology. By making a portal investment, the partners will be better able to keep pace with other technologically advanced municipalities and communities.

The qualitative benefits to constituents, businesses and employees in providing online services are compelling. The Consultant (Connected Insight) therefore recommended to the Study Steering Committee to proceed with the procurement of a joint portal solution. The Consultant also recommended that the partners solicit constituents' input before issuing the portal RFP to validate the mandatory requirements identified in this business plan. Region's staff believe that it is possible to solicit constituents' input as an integral part of the RFP process itself. This may also be carried out in the form of focus groups representing a cross section of the region's communities.

Annex A was prepared by the Consultant to summarize the overall benefits from portal implementation. The Consultant, noting that the municipal Councils will make the final decision whether or not to charge user fees (sometimes referred to as Convenience Fees) has assumed that Councils will choose to encourage portal adoption by providing all services free of charge. Therefore, the consultant has assumed that no new revenue will likely be realized in preparing the Business Plan. Annex B provides a list of mandatory portal requirements which would go a long way to achieve the benefits of the portal depicted in Annex A.

In its 2005 "Portal Business Value Assessment" for Markham, the firm of IBM which was retained by the Town of Markham estimated cumulative benefits over 5 years to be approximately \$8.6 million. These benefits are almost entirely labour cost savings within Markham alone. If one assumes that the same holds true for a joint portal solution, one may infer that the qualitative benefits may increase significantly as more local municipalities join the portal initiative.

The diagram below illustrates the proposed shared portal in the Partners environments, each of which might otherwise have separate infrastructure. By leveraging shared portal technology the partners will realize savings through a lower total cost of ownership (capital and operating).

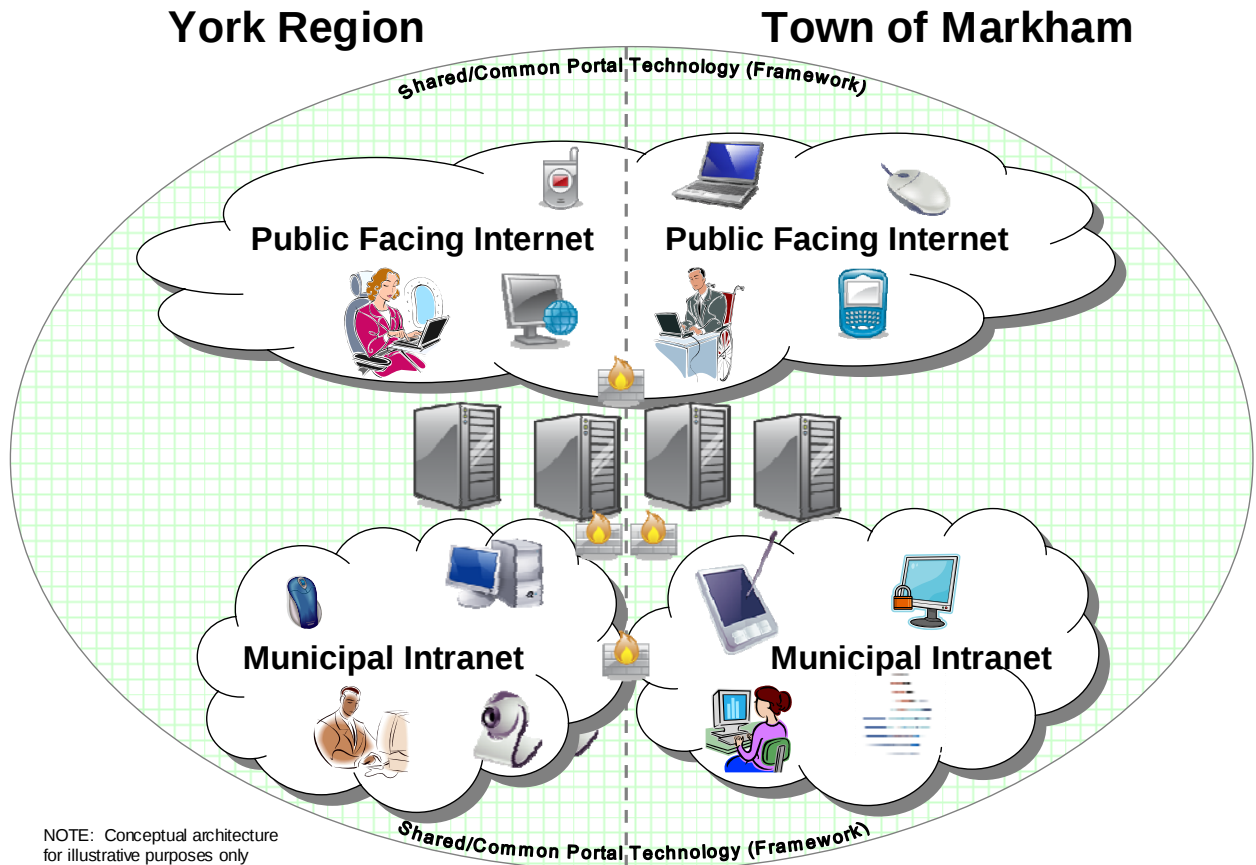


Figure 1 - Conceptual Joint Portal Future-State

Building the shared capacity to enable future growth and online services internally and externally will realize both short-term and long-term cost savings and advance York Region's shared vision for collaborative future with all area municipalities.

4.3 Federal and Provincial Approach to Portal Benefits

Quantifying the benefits of portal implementation is neither simple nor reliably measured. The Consultant noted that The Treasury Board of Canada Secretariat proposes assessing both "comparative" and "level-of-service" advantages expected to result from an IT investment (including Portal Investment). Comparative advantages include:

- More time spent on highly-valued activities;
- Improved inputs to decision-making;
- Resource savings achieved by avoiding errors and needless work; and
- Reducing the number of steps in a business process, resulting in improved workflow.

Level-of-service advantages include:

- Reductions in paperwork;
- Improved client access to services;

- More timely services; and
- Improved quality or quantity of service.

The Province of Ontario has implemented a portal technology strategy for a number of compelling qualitative reasons. “The Portal Guide 2005” Ontario vision includes:

- Clients will have seamless, speedy and simple access to government information, expertise, products and services.
- Ontario is recognized as a world leader in providing electronic services. Client view portals as the preferred channel for receiving Government of Ontario services and client’s satisfaction with them is extremely high.

The Ontario Government recognizes “... that this transformation is being driven by consumer demand, quickly evolving technological capabilities and the need for robust security framework.”

Ontario’s justification for a common portal framework stems from the recognition that government operations need to modernize; that information silos must be eliminated through access integration; that interagency, interdepartmental and intergovernmental information flow must be improved so that taxpayers realize the elusive goal of “**build it once - use many**”.

4.4 Relationship to Vision 2026

There is substantial alignment between the partners’ strategic plans and the implementation of a portal. The implementation of portal technology would significantly contribute and assist in realizing the strategic plans endorsed by Regional Council’. York Region’s goals and actions stated in the “Vision 2026 (Towards a Sustainable Region)” include:

- Provide leading-edge municipal services;
- Provide advanced technology adoption and implementation;
- Demonstrate diversity and innovation in service delivery;
- Address the challenge of demands for urban service levels in rural communities;
- Increase businesses’ awareness of the Region’s services;
- Make services/information available regardless of personal mobility; and
- Enable residents and businesses to access services regardless of location.

All of these goals can be furthered through the effective application of portal technology. Needless to say, most if not all area municipalities in the region have similar vision and goals to achieve, and the joint portal will be a key component of meeting these goals.

Again, the effective deployment of portal technology would substantially help attain the above ambitions. Clearly, portals can play a key role in engaging the next generation’s interaction with local and regional government.

5. FINANCIAL IMPLICATIONS

While it is possible to develop and offer a shared portal for York Region and the Town of Markham only, it is staff's belief that the shared portal should encompass most if not all of the local municipalities within the geographic area of York Region. As noted earlier, York Region will play a pivotal role for the benefit of all the residents of the region. However, most of the services on the joint portal would be those provided by the area municipalities and the opportunity for each area municipality to save 30-60% of the portal costs is compelling.

It must be emphasised that the financial figures below are based on a shared portal encompassing York Region and the Town of Markham only as described in the Portal Business Plan. Such shared portal will **likely** require an investment of approximately \$5 million over 5 years. However, depending on various assumptions, it may require as **high** as approximately \$8 million investment to realize portal benefits, including estimated cost savings over 5 years of approximately \$300,000 to \$400,000. It is estimated that the initial capital costs will be \$4-6 million and the portal will cost approximately \$1-2 million to operate over 5 years. In addition, internal staff costs to support the joint portal have not been included in the above and they will likely cost between \$4 million and \$5 million over the 5 year period. These figures are for both York Region and the Town of Markham and should be modified once the other area municipalities join the Portal initiative.

Once the decision to proceed with the joint portal is made, it will be necessary to develop a shared services agreement with the local municipalities that join the portal clarifying the roles and responsibilities of the partners in the shared service.

Some funds (approximately \$1million) to initiate the procurement process have been identified in the 2007 ITS Branch Capital Budget should Regional Council approve staff recommendation. Additional funds will be required in subsequent year's Capital Budgets.

6. LOCAL MUNICIPAL IMPACT

Most (if not all) area municipalities in the region have visions and goals for their services to achieve similar to those of York Region and the Town of Markham. The joint portal will be a key component of meeting these goals.

Although it is possible to develop, implement and offer shared portal services for York Region and the Town of Markham only, it is staff's belief that the shared portal should encompass most if not all of the local municipalities within the geographic area of York Region who would be the prime beneficiaries of the joint portal. Staff is of the opinion that residents and business outside the Markham area would want similar services offered to them as those provided online by the Town of Markham through the joint portal.

Branding issues may arise but they are not difficult to overcome once the joint portal is viewed from the perspective of the constituents as a “**no wrong door**” to municipal services in the region.

Staff recommends that this report be distributed to all area municipalities through the Office of the Regional Clerk asking them for participation in the procurement of a joint portal solution.

7. CONCLUSION

Once in place, the joint portal will demonstrate compelling business value for the area municipality partners and York Region. The cost to operate the portal per partner would be reduced from the figures quoted earlier. Building a portal framework translates into an investment in future online capabilities. This foundation will enable future development to deliver functionality and features at a reduced cost versus maintaining the current non-integrated web architecture. Although difficult to accurately measure, initial investment in portal technology framework will yield its most significant cost savings over time as cost avoidance.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause was included in the agenda for the June 7, 2007 Committee meeting.)