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ON-LINE SERVICE DELIVERY - PORTAL BUSINESS PLAN

(Regional Council at its meeting on October 18, 2007, adopted this report subject to Recommendation No. 3 being amended to read "Adoption of recommendation No. 1 and No. 3 contained in the following report, September 19, 2007, from the Commissioner of Finance".)

The Finance and Administration Committee recommends:

1. Receipt of the following communications from the local municipalities:
 1. Carolyn Lance, Administrative Assistant to the Town Clerk, Town of Georgina, July 24, 2007;
 2. Sheila Birrell, Town Clerk, Town of Markham, forwarding a resolution adopted by the Council of the Town of Markham at its meeting on April 24, 2007;
 3. Lucille King, Director of Corporate Services/Municipal Clerk, Town of East Gwillimbury, September 21, 2007;
 4. Marc Pourvahidi, Director of Finance/Treasurer, Town of Whitchurch-Stouffville, September 25, 2007; and
 5. Chris Somerville, Clerk, Township of King, September 27, 2007.
2. Receipt of the presentation from Louis Shallal, Chief Information Technology Officer and Mark Christiansen, Enterprise Architect; and
3. Adoption of the recommendations contained in the following report, September 19, 2007, from the Commissioner of Finance, subject to the word "approve" at the beginning of recommendation 2 being replaced by the word "consider".

1. RECOMMENDATIONS

It is recommended that Regional Council:

1. Approve issuance of the attached revised Request for Proposals for a joint portal for York Region and the Town of Markham with provisions for a scalable solution that would accommodate subsequent participation by the other local municipalities in the York Region.
2. Approve cost sharing the project on the basis of a 50%-50% split with the local municipalities. This cost sharing is to be finalized once proposals are evaluated and a recommended solution is brought forward for approval to implement.

3. Approve that the report be re-circulated to local municipalities for a response regarding participation by November 30th.

2. PURPOSE

The purpose of this report is to provide information to Regional Council on the responses received from the local municipalities in the York Region regarding their participation in the development and implementation of a joint portal among the local municipalities and York Region and more specifically to obtain Regional Council approval to:

- a) Issue the revised Request for Proposals (Attachment 1) incorporating the requirement to provide a scalable solution to accommodate future participation of interested local municipalities.
- b) Approve the cost sharing formula for the project as a basis for a shared services agreement with the Town of Markham and other local municipalities that join the portal solution which will clarify the roles and responsibilities of the partners in the shared service.

3. BACKGROUND

The genesis of York Region's involvement with the Joint Portal project was the OneYork 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 approved by the Town of Markham Council on February 28, 2006 and the Town was to *work with the Region to create the governance, define portal requirements and begin implementation of a Shared Portal Solution.*

Regional staff 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. The essence of the joint portal concept is to provide a single point of online access by taxpayers of the region to all Regional and local government information and transaction services.

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. Senior staff representing the various operating departments from both the Town of Markham and the York Region participated on the Joint Portal Steering Committee.

After the Business Plan for the Joint Portal was developed, a report was presented to the Finance and Administration Committee meeting of June 7, 2007 and Regional Council at its meeting of June 21, 2007 approved the following Finance and Administration Committee 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.

This report is in response to these directions.

4. ANALYSIS AND OPTIONS

The business case for implementing portal solutions has been detailed in the staff report to Finance and Administration Committee of June 7, 2007. To re-iterate, 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. Furthermore, online service delivery provides the added benefit to the citizens of 24 hour a day, seven day a week continuous availability throughout the year.

4.1 Options

Pragmatically, there are three e-government alternatives for York Region, Markham and other local municipalities to consider which are described below. Connected Insight Inc. (the Consultant) considered each of the options and 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.

Do nothing (maintain existing websites). This alternative is less resource-intensive in the short-term however, it is misaligned with the strategic plans for technology leadership of both the York Region and the Town of Markham. As well, existing websites have a limited capacity to meet future growth. It is essential to remember that significant investment in existing websites to enable them to deliver more services and functions constitute in fact a costlier ad hoc approach to enabling many portal attributes without the benefits of a consistent and best practice approach to online services.

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.

4.2 Analysis

The response to the Regional Clerk request for indicating interest in participation in the Joint Portal has been minimal. There is a clear reluctance from the local municipalities to venture into the portal technology arena. Markham and York Region are still the prime advocates for the Joint Portal.

4.2.1 Update on participation and next steps required

There are a number of factors to consider in analysing the current environment for expanded web services through implementation of portal technology. In brief:

- a. The Immigration portal project which was already approved by Regional Council could provide an opportunity to leverage the software and hardware investment of the Immigration portal as part of the development of the overall Joint Portal.
- b. While most IT staff from the local municipalities support the concept of the Joint Portal, they have a number of concerns that have been expressed in a meeting of the IT directors and managers held on August 28, 2007. In essence the concerns were that :
 - The project is too complex involving 10 municipalities
 - Branding of individual web sites may be an issue
 - The project is too costly and uncertain of the cost implication to their own municipalities
 - Not sure if the results are worth the effort, e.g. how many would use the portal to justify the investment
 - Not sufficient information in the staff report (full Portal Business Plan was distributed to all municipal IT directors/ managers), and
 - Priorities of local municipalities are different from each other and they are not sure how much priority their respective Council and Senior

Management attach to the Joint Portal.

- c. Formal written responses received from the local municipalities have been minimal for understandable reasons given the request went during the summer months and local municipal staff did not have sufficient time to process their own response through their respective senior management and Councils.
- d. The RFP prepared by the Consultant for the Joint Portal plan needs to be revised to provide for scalable solutions that would allow municipal participants a consistent framework for evaluating proposals received from various vendors.
- e. Staff of the Town of Markham and York Region have agreed to continue using the procurement template of the Town of Markham for issuing the RFP and evaluating the proposals received. If Regional Council authorizes the issuance of the revised RFP, it is anticipated that vendors will have approximately four to six weeks to prepare their proposals and a further 4 to 5 weeks will be required to review and evaluate all the proposals received and to prepare staff reports to be submitted concurrently to the Standing Committees of Councils of the York Region and the Town of Markham (as well as other participating municipalities). It is at that stage that these Councils will have the actual proposed costs from the selected vendor and they will determine whether or not to proceed with the actual implementation of the Joint Portal.
- f. To assist staff with the procurement process, a third party consultant will be retained who will validate the completeness of the terms of reference in the revised RFP, help in the analysis of the responses received to the RFP and develop a comprehensive evaluation criteria for the selection of the successful portal vendor.
- g. Regional staff believe that for this project to proceed effectively, it is important that the Region plays a leadership role bringing together the overall requirements and incorporating them into the implementation process so that a solution that is scalable can be developed in a gradual incremental manner as individual local municipalities decide to offer online information and transaction services to their constituents on the Joint Portal.
- h. There will be a need for a change management processes, secondment of staff, harmonization of processes and their integration with existing back end applications. While these would be complex undertakings, it is simply a matter of time when they will be required anyway, should any municipality decide to offer online services as another channel of service delivery on an ongoing basis.

4.2.2 What a portal will provide

Portal technology is not new. Many municipalities in Ontario and across Canada have implemented portal solutions as an integral component of their corporate strategy. While the term "Portal" sounds fairly technical, in reality it is a fact of life for this generation. Banks, airline industry, media giants like CNN and the newspaper industry have all developed sophisticated portal applications like CNN.com and Canada.com to name a few with full e-commerce, video / audio as well as Push/Pull and collaboration capabilities. Yahoo, MSN and AOL are all portals providing a large array of services and

tools needed by users. Portals link the users to places of interest very quickly, whether to book a hotel room, a vacation spot, a movie rental or the stats on their favourite baseball team. Municipal portals would link the residents to their local government and provide them quick access to services, forms, permits, bylaws, and pressing issues in their respective neighbourhoods. Portals also allow for personalization and many municipalities have used these portals to “web cast” their council meetings as opposed to and /or in addition to “broadcast” on TV channels. Some are even experimenting with e-democracy to gain resident’s input on issues such as the environment and fiscal budgeting issues. Portal technology is the foundation, and what is built upon it as applications, is subject to only the imagination of the participants.

Face Book, My Space, You Tube and other recent innovations in web technology have gone beyond portals to a fully interactive and even “client owned” web presence.

As discussed at the meeting of the Finance and Administration Committee meeting of June 7th, 2007, the web as a fundamental channel of service delivery is a municipal reality of the present and the future. The emerging generation of residents have come to expect their local government to deliver online services in a manner similar to their banking and academic institutions as well as the private sector. There is a unique opportunity for York Region to lead the way for the area municipalities to join forces and to share the costs, risks and benefits of shared web 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.

Significant analysis was completed in the 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 the joint 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 joint portal is expected to make available a dynamic, personalized gateway, a single point of entry to access local municipal and regional information and conduct government services and transactions.

The qualitative benefits to constituents, businesses and employees in providing online services are compelling. Attachment 2 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. Attachment 3 provides a list of mandatory portal requirements which have been incorporated into the revised RFP and which would go a long way to achieve the benefits of the portal cited in Attachment 2.

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.

With York Region playing a leadership role, 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 Relationship to Vision 2026

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.

5. FINANCIAL IMPLICATIONS

As noted in the Portal Business Plan report, while it is possible to develop and offer a shared portal for York Region and the Town of Markham only, the shared portal should be designed to encompass all of the local municipalities within the geographic area of York Region. York Region will play a pivotal role for the benefit of all the residents of the region notwithstanding that most of the services on the shared portal would be those provided by the area municipalities. The fact that there is an opportunity for each area municipality to save 30-60% of the portal costs is compelling.

The June 7th report to the Finance and Administration Committee summarized the likely fiscal implications of implementing the joint portal over five years. The report noted that based on a shared portal encompassing York Region and the Town of Markham only, the portal may require an investment of approximately \$5-8 million over 5 years. It is estimated that the initial capital costs will be \$2-3 million per year expended during the

first two years and the portal will incur operating costs of approximately \$200,000 to \$400,000 annually over the 5 years. In addition, internal staff costs to support the joint portal have not been included in the above estimates.

The above figures are estimates only as to the magnitude of the financial investment. These estimates need to be updated after proposals are received in response to the revised RFP and thoroughly analyzed. Once the decision to proceed with the implementation of the joint portal is made, it will be necessary to develop a detailed shared services agreement with the local municipalities that join the portal clarifying the roles and responsibilities of the partners in the shared service.

For cost sharing purposes, it is proposed that the cost of the Joint Portal project be shared on the basis of 50%-50% split with the local municipalities. This cost sharing is to be finalized once proposals are evaluated and a recommended solution is brought forward for approval to implement. Some funds (approximately \$1million) to initiate the procurement process have been identified in the 2007 IT Services Branch Capital Budget. This amount has been increased by \$3.5 M as part of the 2008/2009 Capital Budget submission in the event that Regional Council approve the Joint Portal implementation.

6. LOCAL MUNICIPAL IMPACT

Although it is possible to develop, implement and offer shared portal services for York Region and the Town of Markham only, the shared portal should be scaled to encompass all of the local municipalities within the geographic area of York Region who would be the prime beneficiaries of the 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.

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. Local municipalities that want to participate in the Joint Portal but have resources constraint at the present, could be added to the Joint Portal in the future.

7. CONCLUSION

The Joint Portal will demonstrate compelling business value for the area municipalities and York Region and it translates into an investment in future online capabilities being offered to this generation and to future generations. The Joint Portal will be a foundation that will enable future developments to deliver added functionalities and features including the potential for expansion from a municipal portal to a full community portal.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause was included in the agenda for the October 4, 2007 Committee meeting.)