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ONLINE SERVICES - JOINT PORTAL PROJECT WITH THE TOWN OF MARKHAM

The Finance and Administration Committee recommends:

- 1. receipt of the communications from**
 - a) Chris Sommerville, Clerk, Township of King (September 27, 2007);**
 - b) Anna Knowles, Deputy Clerk, Town of East Gwillimbury (October 19, 2007)**
 - c) Robert Dixon, Commissioner of Corporate & Financial Services/Treasurer, Town of Newmarket (November 7, 2007);**
 - d) Carolyn Lance, Administrative Assistant to the Town Clerk, Town of Georgina (November 16, 2007); and**
 - e) Marc Pourvahidi, Director of Finance/Treasurer, Town of Whitchurch-Stouffville (November 26, 2007);**
- 2. receipt of the presentation from Louis Shallal, Chief Information Technology Officer, and Skip Lumley, Consultant, Chartwell Group; and**
- 3. the adoption of the recommendations contained in the following report, September 8, 2008, from the Commissioner of Finance:**

1. RECOMMENDATIONS

It is recommended that:

1. The contract for Hardware, Software and Support Services, with the exclusion of Professional Services, for the Joint Portal, be awarded to the highest ranked and lowest priced bidder – IBM - for \$1,584,614 exclusive of GST subject to entering into a legal agreement satisfactory to the Regional Solicitor.
2. Staff be authorized to issue separate Request For Proposals (RFP) for Professional Services to implement portal applications for the York Region and the Town of Markham.
3. Staff be allowed to further investigate vendor-hosting options.
4. An initial 50% - 50% cost sharing arrangement between the Town of Markham and York Region for the Hardware, Software and Support Services for the Joint Portal be approved.

2. PURPOSE

Implement Portal Technical Foundation first, and then procure applications

The purpose of this report is to seek Regional Council's approval to award a contract for Hardware, Software, and Support Services to the highest scoring and lowest priced bidder for the Joint Portal initiative. This report also seeks authorization to issue RFPs for the Professional Services components of the project in accordance with the attached Executive Summary of the proposed Professional Services Procurement Plan.

3. BACKGROUND

Region & Local Municipal Websites are indispensable

Over the last 10 years, the Region and the Local Municipalities have implemented public websites which have become indispensable for residents, businesses and visitors for obtaining information about and services from their respective governments. The websites provide such timely and current information as: service listings and availability; economic development support; tourist activities and leisure pursuits; public notices and current news items; maps and route planning; government public documents; and restrictions and permits as well as some on-line services and links to other related websites. At this point, these websites are well conceived and implemented, reflecting the unique character and mandate of the sponsoring government. Municipalities have supplemented their existing web sites with intranet sites to facilitate employee access to information and services.

Online Services: Better Service - Lower Cost

At present, the Region and the Town of Markham are not able to provide the level of online services that their customers and employees expect. This is primarily due to the limitations with the existing technology environment. Implementation of online capabilities in the current infrastructure can be achieved to improve electronic services; however, such an approach lends itself to costly maintenance with increased online service offerings, higher security risks, and continued shortfall in meeting customer needs over time. In short, opportunities to substantially improve productivity and increase efficiencies through electronic service delivery, as well as citizen expectation of personalized access to information and services cannot be fully realized.

With significant investment and relatively simple service offerings, a website can be re-worked towards some of these aspirations. As more services are delivered online, the architectural limitations of legacy websites become more evident. When retrofitting traditional web sites for additional service delivery:

- Technical workarounds lead to increased costs, complexity and time to delivery. In some cases they limit the availability of current internet technology and functionality;
- Integration with external services is complex or cost prohibitive;
- Security becomes difficult to administer and sustain with multiple passwords to multiple systems; and
- End-user experience falls ever further behind the full internet potential for convenience, security and functionality.

A well designed Portal, in addition to better providing the generic information and services currently available on existing websites, would have many benefits. These benefits would include:

- **Personalization:** In effect, each citizen can establish personal, customized access to information and services, modifying their view over time as needs evolve and Portal offerings are improved. This would give Markham and York Region a much better understanding of their citizenry, their current needs, and their aspirations. Personalization is not limited to what the citizen accesses but can extend to personalized and targeted material directed by government to a particular citizen group – for example in development planning process or during an emergency situation. Not only can the Portal content be personalized, but also the method of presentation – for example setting options for the sight challenged or translation to other languages. The personalized view would remain readily available and become a fundamental and preferred channel for dealing with government.
- **Straight Through Processing:** The object would be to take everything from tax collection, to permitting, and to make it directly and immediately available to the citizenry through the portal, thereby eliminating the need for intermediaries and associated transformation errors.
- **Collaboration:** Create the transformative environment that will allow the town and region's citizens' to interact with the government and the population on a wide range of issues.
- **Potential sources of revenue.** The site should reflect the service offerings of Markham and York. Generating revenues from the online access to these services is a possibility. The site could be expanded in the future to a community wide portal to include everything from restaurants to theatres, to carpools, as well as our own cultural events. The more reflective the site is of the community, the more it will be used, opinions on economic models vary, but it is agreed that the portal should have the potential and capacity of reflecting more than just government services.

Although websites have been effectively deployed, it is now opportune to step from the limitations of that environment and move to the next level – building our citizen-centric collaborative, participative experiences with a Portal environment as the foundation.

Better Service; Lower Cost – the rationale for our Joint Portal

The primary rationale for our Joint Portal among the Region and the Local Municipalities derives from the citizen-centric approach to service delivery. Most of the direct service interactions with our citizens today take place at the local government level. The objective would be to have more of these services directly accessible, on a 7/24/365 basis over the internet. The objective would be to make about 75% of the applications available ubiquitously through the Joint Portal. The Region supports some of these local services as a “wholesaler” (e.g. Water & Wastewater Services). The Region also provides health, community and transportation services directly to citizens. As evident by citizen questions, they are not entirely clear “who does what” and “where to go” for particular assistance. A well designed Joint Portal, based on citizen needs, would simplify work flows while concurrently educating the citizen about the service provider – in effect you put the service first while maintaining the identity of the service provider. This is what is commonly referred to as “No Wrong Door” approach to service delivery.

Under current circumstances, the Region and Local Municipalities incur significant overall costs in the development, operation and maintenance of their respective websites. The Joint Portal will help contain costs in a number of areas:

- As mentioned earlier, websites have inherent limitations and these are expensive or difficult to overcome. The Joint Portal Environment comes with an open and extensible architecture that is “prewired” to interact with the applications which provide the online service. The objective here is to make more of the Town’s and the Region’s services available directly from people’s homes and businesses eliminating the need for people to expend the time and the energy to drive to municipal offices. Having the government’s back office services directly integrated with the portal will not only save citizenry time, but streamline the processes eliminating the manual handoffs and associated errors.
- The Joint Portal will provide a basis for integrating the Region-Local Municipality jointly delivered services. Costs will be reduced through the integration of systems and improved work processes enabled by ready information sharing.
- The Local Municipalities provide similar services in their respective jurisdictions. As applications are developed to support online service, overall development and deployment costs are reduced by using the Joint Portal as the common implementation platform. This in turn encourages their-use of applications or joint development. It is estimated that co-development of the Joint Portal would save Local Municipalities 30% – 60% over the cost of individual development.

Thousands of government portals have been built around the globe. Many municipalities have already upgraded to portal technology, including Mississauga, Toronto, Windsor-Essex, Chatham-Kent, Hamilton and Calgary, among others. By making a portal investment, the Region will be able to keep in pace with other technologically advanced municipalities and communities. With the fast-paced technological advances and

reduced cost, it is now an opportune time for the Region to move from the less than optimal website to the next level of building the infrastructure for citizen-centric service in a portal environment.

Many Key Steps have been taken

2004 – 2005 Town of Markham Council and York Region Council develop Information Technology Strategies including a need for a portal.

Nov. 2005 The Town of Markham complete a Business Value Assessment for portal implementation, which identified a number of qualitative and quantitative benefits of the technology to residents and Town staff.

February 28, 2006 – Town of Markham Council approves work to define a Joint Portal arrangement with York Region.

April 2006 – Region Council approves working with Markham to develop a Joint Portal Business Plan in particular to create the governance structure and define portal requirements as well as to open the process to other Local Municipalities.

Fall 2006 – An external consultant, Connected Insight Inc., was retained to prepare a Joint Portal Business Plan for the Town of Markham and Region of York. The report, which was finalized in Feb. 2007, identified numerous qualitative benefits including improved citizen service and business efficiencies, and 30%-60% cost savings as compared to individual implementation..

Fall 2006 – York Region and Town of Markham staff form Joint Portal Steering Committee to investigate implementation of Portal technology for electronic service delivery

June 7, 2007 – Report on Portal Business Plan submitted to Region Finance & Administration Committee recommends proceeding with procurement of a joint portal and exploring the participation with other Local Municipalities

June 21, 2007 – Region Council receives June 7, 2007 Finance and Administration Committee Report.

October 4, 2007 – Report on Portal Business Plan submitted to Finance & Administration Committee recommends issuing a Joint Portal Request for Proposal and again exploring the participation with other Local Municipalities.

October 18, 2007 – Region Council approves the October 4, 2007 Report with particular interest to ascertain the costs and benefits of the joint portal and to provide the Local Municipalities the opportunity to share in the cost of the development as well as the benefits and shared applications.

January 10, 2008 – the Town of Markham Issues Joint Portal Request for Proposal (RFP 077-R-07) on behalf of both the Town and the York Region. A non-compulsory briefing session for vendors conducted on Jan 28, 2008. The RFP closes on April 11, 2008.

4. ANALYSIS AND OPTIONS

Options Considered for Award

The Request for Proposal was fairly complex and was looking for broad-based information, including:

1. response to listed mandatory (and optional) requirements and deliverables along with a project plan
2. cost breakdown on the four components of the proposal, namely: Hardware, Software, Support Services and Professional Services components
3. client-hosted and vendor-hosted options, as applicable, and pricing
4. response to include Markham-only portal project (Part B), if applicable
5. high-level cost estimate for including other local York Region municipalities at a future time should they opt to participate in the joint initiative, with the understanding that the information is not to be used for evaluation purposes.

As a result, vendors had many questions requiring response from the Evaluation Committee which in turn, necessarily extended the time needed for vendors to prepare their proposals. These time extensions have delayed the original schedule for reporting to the Finance and Administration Committee and Region Council.

The Evaluation Team

The submissions were evaluated by an Evaluation Team consisting of the following participating departments/organizations:

Markham: Building, Markham Public Library, Information Technology Services, Finance, Recreation Services, and Asset Management Departments

York Region: Geomatics Group, Information Technology Dept., and Community and Health Services.

Other Municipalities: Town of Richmond Hill, Town of Aurora, Town of East Gwillimbury, and Town of Newmarket.

The process was facilitated by staff from the Purchasing Department, Town of Markham. In addition, consultants from Chartwell Inc. were retained to assist in finalizing the RFP, synthesizing the responses and contribute to the evaluation process as appropriate. A consultant, Bob Tapscott, was also engaged to participate in the evaluation process as

well as produce a Professional Services Procurement Plan for Professional Services, of which the Executive Summary is attached (Attachment 1).

Bid Information:

Advertised	ETN
Bids closed on	April 11, 2008
Number picking up bid documents	12
Number of companies responding to bid	5*

* Three highest ranked proponents were asked to prepare for an interview and presentation/demo session which took place on May 22nd and 23rd, 2008 as per scoring information below.

Analysis of the Proposals

Five vendors submitted a total of seven proposals for the Joint Portal. Among the five vendors, two submitted proposals for both Vendor Hosted and Client Hosted options. A total of seven submissions from five vendors were received, among which, one was disqualified, and six were evaluated. Three highest ranked proponents were asked to prepare for an interview and presentation/demo session which took place on May 22nd and 23rd, 2008.

The short listed vendors were:

- IMEX (submitted Client Solution Only)
- Navantis (submitted Client Solution Only)
- IBM (submitted Client & Hosted Solutions)

Scoring Information:

Client-hosted solution	IBM Canada Ltd.	IMEX Systems Inc.	NAVANTIS Inc.
Technical score (60%)	52.70	41.90	45.10
Interview score (15%)	13.23	10.23	9.98
Price (25%)*	25	8	13
Total (100%)	90.93**	60.13	68.08
Rank	1	3	2

* The prices scored are reflective of Hardware, Software, and Support Services.

** IBM was the only short-listed proponent who submitted both client-hosted and vendor-hosted options, which were scored equally by the evaluation team.

Based on the extensive review of the Vendor Proposals and subsequent considerations of the approach to portal implementation, and based on input from the Evaluation Committee, staff recommended moving forward as follows:

Acquire Joint Portal Hardware, Software & Support Services Only

The Joint Portal RFP – consisted of four components: Hardware, Software, Support Services and Professional Services. Review of the responses submitted by the three short-listed vendors indicated that The total costs ranged from \$5 - \$11 million. the price for the first three components ranges from \$1.58 - \$4.82 million, whereas the Professional Services component varied from \$1.84 - \$6.43 million.

The Evaluation Committee is confident that the Hardware, Software & Support Services components, can be compared and that a contract for this work should be awarded to the lowest bidder – IBM for a total cost of \$1.58 million exclusive of taxes. However, understanding the complexity of the requirements/deliverables, and the wide price range, it was not totally clear if the Professional Services component can be validly compared among the evaluated proposals. Based on these observations, it is recommended that RFPs be issued to retain third-party service providers (which does not preclude IBM) for professional service, which is believed to be obtained at a more competitive rate (Attachment 1).

In addition, all the short-listed vendors proposed to complete each stage of the work sequentially for all the identified requirements (i.e. planning and scoping, then applications and portal development, testing and finally portal implementation). According to this approach, there would be little useful functionality introduced for almost two years after contract award. As a result, there would be a significant risk for cost overruns to accommodate any change in the priority or implementation requirement.

The proposed implementation plan is based on a phased approach through the use of the Professional Services Procurement Plan. According to this plan the initial focus will be on implementation of out-of-the-box capabilities such as collaborative tools for citizen engagement, and high priority business requirements including a redesigned web interface, online payment options, and other important online information and services. Following the initial phase, The Region and Markham will continue to selectively implement other portal functionalities in discrete packages at the time and pace of their choosing, depending on business and funding priorities as well as staff resource. The general objective is to have the first release by the end of 2009; however, the details of the plan will be finalized at the end of the Professional Services procurement process.

The overall benefits of this recommended approach include:

1. Focused Priority - At first the portal implementation will focus on out-of-the-box functionalities with minimal complexity, as well as the most important requirements as identified by stake holders.

2. Flexibility - The York Region and the Town of Markham, can implement additional specific portal capabilities in the future based on their own priorities, resource availability and business needs through separate contracts.
3. Value for investment - Emphasis on smaller, high priority work packages increases the ability of business and technical staff in various operational areas of the Region and the Town to leverage the technology investment for business efficiencies. Use of the common Joint Portal platform and common software will facilitate deployment and sharing of the investment.
4. Paced Investment - There is a lower initial funding commitment and future individual investment will be tailored to Regional and local fiscal circumstances.

Vendor Hosting of the Joint Portal

The Joint Portal RFP also sought responses on both vendor- and client-hosted options. Among the short-listed proponents, IBM alone submitted proposals on both alternatives. Review of both the vendor- and client-hosted options submitted by IBM reveals that they are comparable in terms of deliverables/services as well as price with the exclusion of support services. In addition, considering the potential partners that will join this initiative in the future, there may be increasing resource requirement to the host municipality, including server-room space and maintenance, if we proceed with the client-hosted option. Based on these factors, it is recommended that staff be permitted to further investigate hosting options and report back to council.

This Joint portal is Unique

The York Region and the Town of Markham have been working on a joint portal technology requirement over the past few years. During this period sufficient information has been collected that indicate the value of portal implementation to improve services to citizens and also establish a more integrated and efficient work environment. This joint effort to build a common infrastructure between the two government levels is unique, and if adopted by other municipalities in the Region, it would be an excellent opportunity in demonstrating partnership and cost sharing to serve their citizens. Building the shared capacity on electronic services internally and externally in order to enable future growth will provide cost savings and advance York Region and Markham's shared vision for collaborative future.

Transition to Portal Environment supports Vision 2026

The Portal environment would significantly contribute to realizing York Region's goals and actions as stated in the "Vision 2026 (Towards a Sustainable Region)" which 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.

The effective deployment of a Portal environment would substantially help attain these goals. Clearly, a Portal environment can play a key role in engaging the next generation in their interaction with local and regional governments. This generation is readily tuned to 7/24/365 service delivery expectations.

5. FINANCIAL IMPLICATIONS

Building and maintaining portals to provide online services is costly. There are ongoing cost implications for this new channel of service delivery. The cost to set up the technical infrastructure for the Joint Portal for York Region and the Town of Markham is approximately \$1.58 million exclusive of taxes, which would be spread over few years. Staff recommend initial cost sharing on the basis of a 50% - 50% agreement. Should other local municipalities join, the Region would also cost share the incremental technical infrastructure costs on the basis of this 50% - 50% agreement. Furthermore, it is anticipated that the initial \$1.58 M investment would be re-allocated as other local municipalities join the project to offset Markham's contribution. The professional services component will be addressed when the RFPs for professional services are issued in accordance with the Professional Services Procurement Plan (Attachment 1).

Internal Resources Will be Required

Internal staff time to support the Joint Portal project implementation has not been accurately determined. However, following the issuance of RFPs based on the Professional Services Procurement Plan (Attachment 1), staff will be able to provide external resource requirements to ensure successful & timely implementation within budget. Resource commitments by business units whose services are to be implemented in the portal environment will also be identified at the appropriate project phase. The exact operational cost to the Region and the Town will also be known and reported once the hosting option has been further evaluated.

Markham Business Value Assessment Indicated Significant Gains

In addition to significant enhancements to customer service for Regional constituents, the Business Value Assessment conducted by IBM for the Town of Markham in 2005 also identified numerous business efficiency gains, versus budget savings, to employees that are estimated to be in the range of \$6 - \$8 million over five years. Although both the Joint Portal Business Plan Report completed in 2007, and the Professional Services Procurement Plan (Attachment 1) refer to the possibility of partial cost recovery through

online fees, they do not recommend to pursue this option in the interest of encouraging portal adoption.

Specific cost sharing arrangements will be determined during the planning for each package of professional services initiatives. These costs will be incorporated in future budgets and will be partially offset by existing internet, intranet and administrative costs eliminated or avoided by the Joint Portal environment.

The Region needs to update software for Internet and Intranet even if the portal project does not move forward

Regional staff are already engaged in a complete overhaul of the intranet web site of the Region as it is out of date and uses legacy technology. The Region's existing Internet site also will need updating to a newer technology. Much of the investment in the technology and applications of the Joint Portal will be required for the intranet work and subsequent employee self-serve applications. Staff estimate that over 60% of the Regional share of the investment recommended in this report would be required in any case for these purposes.

In addition, the Region currently hosts and outsources hosting for multiple Regional web sites. A preliminary review of the web sites and the associated technologies identified over 20 Regional web sites that would be excellent candidates to migrate to the Joint Portal infrastructure. Examples of the candidate web sites include: The Southeast Collector Trunk Sewer Individual Environmental Assessment, The York Region Immigrant Portal, Transportation for Today and Tomorrow, York Region Tourism, and Water for Tomorrow. Migrating these sites will result in reduced maintenance, integration, hosting and development costs.

It should be noted that the financial figures in the recommendation are based on a shared portal encompassing York Region and the Town of Markham only. Funds to cover the costs recommended in this report are included in the 2008 Finance Department Capital Budget.

On-going Operating Costs

The Joint Portal will require annual operating costs as well. These include annual maintenance fees for the Software, after the first five year period, an annual provision for the hardware replacement every 5 years and telecommunication costs between the partners sites and the vendor hosted site. Application of industry standards for these costs will result with about \$200,000 per year to be shared by the partners for the first five years and \$350,000 per year post year 5. There will be also staff costs to support the portal. At minimum, one full time project manager for the Joint Portal and possibly a part time Technology Architect and a part time Data Base Architect at an annual cost of \$225,000 to \$250,000. Depending on what municipal applications and requirements are pursued, there will be additional staff that may be seconded to assist in delivering these

applications which may result in additional funding requirements. These details will be brought for approval at the appropriate time.

In total the direct operating costs are estimated at \$425,000 to \$450,000 in the first five year period and \$575,000 to \$600,000 in the second five year period.

6. LOCAL MUNICIPAL IMPACT

Local Municipalities share a similar vision and mandate to provide services in partnership with York Region to their respective residents, businesses and visitors. The advent of online services provides a unique opportunity for these governments to provide improved services at a lower cost. The Joint Portal Project in turn offers a unique opportunity for these governments to work together to meet these goals.

This potential was recognized by the Town of Markham and York Region early 2006 when they approved development of the Business Plan for the Joint Portal. The close collaboration of these two partners, formalized through the Joint Portal Steering Committee, was extended to other Local Municipalities for this evaluation process. An Evaluation Committee comprising staff from York Region, Town of Markham, Town of Newmarket, Aurora, Richmond Hill and East Gwillimbury was established in the Fall 2007 and continues to guide the recommendations for the Joint Portal Project. This collaboration has proved very effective.

There are additional benefits if the Joint Portal environment is extended to include all Local Municipalities. Collectively, York Region and the Local Municipalities incur costs now and will incur additional costs in the future in the development, operation and maintenance of their individual Websites. Moving to a Joint Portal Infrastructure would pool these resources and may provide savings to individual participants as these costs are shared aside from the shared benefits of the Joint Portal. Since most of the services on the Joint Portal would be provided by the Local Municipalities, it is estimated the cost of development for each Local Municipality would be reduced 30-60%. The Joint Portal also requires a formal administrative framework to clarify the roles and responsibilities of the partners in the shared service.

More importantly, individual Local Municipalities will be able to develop their own applications augmenting the portal using their own Request For Proposal process so that they choose and add these applications to the technology platform for the use specifically within their own local municipalities. This approach will ensure that where there are applications that are common to two or more organizations they could be shared and where applications are unique to a particular municipality they can be developed at the time of the choosing of that municipality to fit within its own processes and priorities.

Although it is possible to develop, implement and offer services through a Joint Portal for York Region and the Town of Markham only, the Joint Portal will be scaled to

encompass all Local Municipalities within the geographic area of York Region. 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. Local municipalities that want to participate in the Joint Portal but have resource constraints at the present could be added to the Joint Portal in the future.

The Council of the Town of Markham approved a similar report with the same recommendations as this report On October 14, 2008.

7. CONCLUSION

When implemented, the Joint Portal Project will provide many improved services on line at a lower cost than the manual processes today. The Project will provide the technical and administrative foundation for York Region and the Town of Markham implementation and for future participation of the other Local Municipalities. With the foundation in place, there will be unprecedented flexibility in developing and sharing on-line service delivery mechanisms.

All organizations can benefit from the common platform and applications inherent in the Joint Portal. The recommended approach in this report makes it possible for each Local Municipality to utilize the Joint Portal at the priority and time of their choosing.

Once in place, the Joint Portal will demonstrate compelling business value. The Joint Portal is the foundation to enable future developments including the potential from a municipal portal to a full community portal.

For more information on this report, please contact Louis Shallal, Director Information Technology Services, Ext. 1752.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause was included in the agenda for the November 6, 2008 Committee meeting.)