



STAFF REPORT INFORMATION ONLY

Potential Savings from 3-1-1 Technology Sub-Project Contract

Date:	May 29, 2008
To:	Government Management Committee
From:	Sue Corke, Deputy City Manager Joseph P. Pennachetti, Deputy City Manager and Chief Financial Officer
Wards:	All
Reference Number:	P:\2008\Internal Services\I&T\gm08005I&T (AFS #7061)

SUMMARY

This report is for the information of Council as directed at its meeting of September 26 and 27, 2007 when considering the Government Management Committee report titled “3-1-1 Technology Solution Request for Proposal No. 3412-07-3010: Best and Final Offer Results” and the Confidential Attachment 1 to the report (Item GM7.12). Contract cost reduction was achieved as part of the contract negotiations and the vendor also commits to find additional cost reductions, where appropriate, during implementation. The total cost savings achieved will be reported as part of the 3-1-1 Project post-implementation report.

Financial Impact

No additional financial impact beyond what has already been approved in the current year’s budget.

DECISION HISTORY

At its meeting of September 26 and 27, 2007, Council adopted the recommendations in the Government Management Committee report titled “3-1-1 Technology Solution Request for Proposal No. 3412-07-3010: Best and Final Offer Results”. Council also amended the recommendations contained in Confidential Attachment 1 to that report as follows:

- Approving as public information Recommendation 1 in the Confidential Attachment 1: “BearingPoint be approved as the recommended Preferred Proponent for the 3-1-1 Technology Solution based on its best overall value to the City.”; and
- “Deputy City Manager Sue Corke and Deputy City Manager and Chief Financial Officer be requested to report back to the Government Management Committee on potential savings after negotiations were completed”.

ISSUE BACKGROUND

In adopting the report and its Confidential Attachment 1 and amending the recommendations, City Council authorized staff to negotiate and execute an agreement with the Preferred Proponent in a form satisfactory to the City Solicitor, and to report back to Government Management Committee on potential savings after negotiations were completed.

COMMENTS

The purpose of this Information Report is to report as directed on the outcome of the contract negotiation process with the Preferred Proponent, BearingPoint LP. Contract negotiations with BearingPoint LP were commenced in October 2007 and successfully completed. An Agreement was formally executed on March 31st, 2008.

Before the Agreement was finalized, Gartner Consulting, an independent technology industry expert research and consulting company, was engaged to perform a review of the project schedule proposed by the vendor and to make recommendations in assisting the City to minimize project implementation risks. Gartner considered the project schedule aggressive but achievable. The recommendations from Gartner are incorporated into the overall project plan.

During contract negotiations, staff complied with the directive of Council to achieve potential savings and successfully negotiated a contract with BearingPoint for an amount of 1.8% less than the original contract value approved by Council. It should be noted that staff also negotiated an additional software module to be included in the contract as an overall package. The functionality provided by this software module will create efficiencies in developing service request scripts for the project and for future ongoing operations. This software module represents a value of about 2.7% of the overall contract if the City were to purchase it separately.

BearingPoint has also agreed to work diligently with City staff to continue to find other potential savings throughout the implementation phase of the 3-1-1 Technology Solution. As of today, a small amount of further savings has been identified. While additional further savings are expected to be identified during implementation, the total amount realized will not be fully known until implementation is completed.

Implementation work for the complex 3-1-1 Technology Solution is now well underway. As of May 27th, 2008, there are 15 dedicated resources from the Vendor project team working alongside with the City's 3-1-1 project team on-site at the 3-1-1 Contact Centre facilities located in Metro Hall. This integrated project team approach is part of the project's strategy for knowledge/skill transfer and self-sufficiency, so that the City will be able to provide adequate internal support in sustaining the new 3-1-1 technologies.

There is much work ahead in technology architectural compliance, building the new technology infrastructure, configuration of new applications, integration of 3-1-1 business system and divisional operation management systems, training, and knowledge transfer. Both the City and BearingPoint are working to a very aggressive schedule to achieve 3-1-1 Phase I public "go-live" scheduled for June 2009. This follows a period of "soft launch" testing of the new 3-1-1 service operation and technology commencing in the first quarter of 2009.

In Phase I, all City-wide general information, plus service request capacity for the Toronto Water, Toronto Transportation, and Toronto Solid Waste divisions will be available through the 3-1-1 Contact Centre. Phase II will follow with the planned introduction of service request capacity for the Urban Forestry and Municipal Licensing & Standards divisions, as well as online self-service for service requests and status updates by the public, currently scheduled to be launched in 2010. The City and BearingPoint are also aggressively reviewing the feasibility in advancing some parts of the Phase II online self-service capability into 2009.

CONTACT

Neil Evans
3-1-1 Project Director
Tel: 416-338-7789
Email: nevans@toronto.ca

David Wallace
Chief Information Officer
Tel: 416-392-8421
Email: dwwallace@toronto.ca

SIGNATURE

Sue Corke
Deputy City Manager

Joseph P. Pennachetti
Deputy City Manager & CFO