TORONTO

Information and Technology 2019-2028 Capital Plan Adjustments and Accelerations/Deferrals

Date: November 21, 2019
To: Budget Committee
        Executive Committee
From: Chief Technology Officer
Wards: All

SUMMARY

The purpose of this report is to amend Information and Technology's 2019 Council Approved Capital Budget and 2020-2028 Capital Plan. The amendments will have a zero gross and net debt impact. It will better align 2019 and future cash flows with Information and Technology's capital project delivery schedule and program requirements supporting modernization and outcomes to improve the City's service delivery. These changes do not affect individual project deliverables, schedules and/or scope.

RECOMMENDATIONS

The Chief Technology Officer recommends that:

1. City Council authorize the deferral and acceleration of funds in Information and Technology's 2019 Council Approved Capital Budget and 2020-2028 Capital Plan in the amount of $3.463M as detailed in Schedule Attachment 1, "Appendix 1 – IT Capital Budget Accelerations/Deferrals" to the report from the Chief Technology Officer, with a zero gross and net debt impact.

FINANCIAL IMPACT

The approval of this report will authorize the deferral and acceleration of funds in Information and Technology's Approved 2019 Capital Budget and 2020-2028 Capital Plan in the amount $3.463 million, as detailed in Attachment 1, "Appendix 1 – IT Capital Budget Accelerations/Deferrals 2019". These amendments will have a zero gross and net debt impact.

There are no additional costs to the City as a result of the approval of this report. The recommended adjustments will align the Approved 2019 Capital Budget with Information and Technology's capital program requirements for 2019 and beyond.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

City Council at its meeting of March 7, 2019 approved Information and Technology's 2019 Capital Budget and 2020-2028 Capital Plan, which included approval of a 2019 Capital Budget cash flow of $67.172 million and 2018 carry-forward funding of $24.108 million. The Council Decision Document can be found below:
http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getCouncilMinutesReport&meetingId=15350

The Budget Committee endorsed final 2018 carry forwards at its meeting on April 15, 2019 (BU5.1 2019 Capital Budget Adjustments for Carry Forward Funding) resulting in an overall budget decrease of $1.068 million for Information and Technology. Details can be found below:
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.BU5.1

COMMENTS

Capital Budget Acceleration

1. Municipal Licensing and Standards (MLS) System Modernization Project, WBS# CIT045-25-02

    A. Noise Complaints

The original Customer Relationship Management (CRM) pilot scope included four services for Toronto Water and Noise Complaints for Municipal Licensing Standards (MLS). On November 2018 a decision was made to delay the Noise Complaints component. Reasons include a planned delivery that would not provide MLS with expected transformative benefits.

The MLS Noise Complaints component was subsequently re-evaluated and designed to include a full end-to-end solution. This was not previously envisioned with the original pilot. This re-evaluation and re-design requires an estimated $2.5M for delivery. This includes $1.5M approved for Deloitte LLC contracted services on March 5, 2019 GGLC: http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.GL2.8
$1M of the estimated $2.5M is estimated for resourcing and licensing.

This funding was originally sourced from the MLS Modernization program budget. During the course of the year, however, the inability of the 2019 cash flow to

accommodate the entire $2.5M expenditure became evident. This was due to additional funding commitments made to Enterprise Document Records Management System (EDRMS).

B. Enterprise Document Records Management System (EDRMS)

MLS has been working with the Enterprise Information Management program to become digital. MLS Licensing and Permit functions are moving to digital delivery of documents to staff. To fully investigate a business license, current manual processes are time consuming and inefficient. This includes physical attendance at Licensing and Permit offices and hard copies of documents transported to district offices. This project creates a searchable, digital record from any location using the corporate EDRMS service. By-law Enforcement Officers will be able to access licence and permit application information from local district office or field locations. This involves scanning, classification and indexing of over seven million pages of active files. This also allows counter staff to utilize equipment and processes that capture documents when the client comes in. This will eliminate approximately 400 square feet of paper storage. This will also provide a number of benefits. Benefits include over one full time staff equivalent in travel time for research by officers. Client personal data security will also be improved with the eliminating rogue photocopies and scanned records. Records management throughout the lifecycle will also improve.

Total acceleration requirement for Municipal Licensing and Standards (MLS) System Modernization Project, WBS# CIT045-25-02, is $1.863M

2. Consolidated Data Centre (Tiffield Expansion) Project, WSB# CIT047-01-03

Corporate Information and Technology is modernizing to a new data centre to improve resiliency and achieve consolidation of centres. Targets were identified in the KPMG and PWC studies for Information and Technology shared services.

The Consolidated Data Centre project only includes construction of the Corporate Information and Technology modernized Data Centre. The majority of the work is estimated to be completed by December 2019, and overall by Q1 2020.

An upgrade and expansion of existing owned facilities at 60 Tiffield Road to accommodate consolidation requirements was studied in 2015. This is considered the most cost effective option.

Target Outcomes

- Enable consolidation from multiple production data centers and server rooms
- Provide a facility based model to deliver IT Shared Services to accommodate agencies
- Reduce operational expenses incurred for co-location space and support hardware growth for up to 15 years

Accelerated funding associated with this project is requested to:

- Ensure sufficient funding for the General Contractor to complete the majority of the work in 2019
- Enable related work packages to start earlier
- Improve the overall schedule on the Data Centre modernization activities

The risk of funds not being accelerated will result in:

- An inability to deliver the completed Data Centre Build. This will negatively impact work packages for related Data Centres initiatives
- Potential increased overall project costs

Total acceleration requested for Consolidated Data Centre (Tiffield Expansion) Project, WSB# CIT047-01-03, is $1.6M.

Capital Budget Deferrals

Information Security Program, WBS# CIT046-13-02

The Cyber Security Program was formally known as the Information Security (IS) Program. It provides specialist advice and project management services in the planning and implementation of Information Security and Cyber Security initiatives. It involves costs for contractors and net new professional services like KPMG and the Managed Security Services Provider (MSSP). The Risk Management, Cyber Security and Compliance (RMCS&C) capital budget of $3.056 million in 2019 includes $1.227 million identified in KPMG's maturity assessment. These initiatives include costs for hardware, software and additional consulting services.

Deferral of funding for this project is requested due to ongoing vendor contract negotiations for the procurement of services. These services will carry over to Q1 2020 and will now result in the underutilization of the allocated budget in the current year.

The risk of not deferring the funding will result in a spend rate that will not meet the 2019 budget target.

Total deferral for Information Security Program, WBS# CIT046-13-02 is $1.998M.

Enterprise Business Intelligence Implementation, WBS# CIT045-20-02

Enterprise Business Intelligence Foundation (EBIF) project has defined the City's Business Intelligence Strategy and Roadmap. Implementation of the Business Intelligence and Data Governance frameworks to standardize and manage the City's data has begun. As next steps, the City will provide leadership and skilled resources to

continue the work to establish, optimize, and sustain both Business Intelligence and Data Governance frameworks. This will be completed while making data open to the public.

The request to defer funding for this project is due to ongoing strategic realignment. This is needed to review the project spend that would otherwise result in underspending of the allocated budget in the current year.

The risk of not deferring the funding will result in a spend rate that will not meet the 2019 budget target.

Total deferral for Enterprise Business Intelligence Implementation, WBS#CIT045-20-02 is $1.465M

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SIGNATURE

Lawrence Eta
Chief Technology Officer

ATTACHMENTS

1. Appendix A – Accelerations and Deferrals between 2019, 2020 and 2021