

Lan Nguyen
Acting Chief Information Officer

Giuliana Carbone
Acting Deputy City Manager &
Chief Financial Officer

Metro Hall
55 John Street
15th Floor
Toronto, Ontario M5V 3C6

Tel: 416-392-8421
Fax: 416-696-4244
lpnguyen@toronto.ca
www.toronto.ca

2013 BUDGET BRIEFING NOTE

Resource Demand to Deliver IT Capital Portfolio Projects

Issue/Background:

The purpose of this briefing note is to identify the reasons for a shortfall of IT resources to carry out capital projects city-wide and to present a financing strategy to support the addition of 58 permanent resources for capital project delivery.

Key Points:

- *Low Capital Project Completion Rates:* Over the past five years, the City continued to have 120+ active IT projects per year at an approximate value of \$90 to \$100 million in its city-wide IT Capital Portfolio. The Portfolio has been experiencing significant delays and low capital project spending rates in the 60 - 70 % range due to insufficient resource capacity in the I&T Division.

While the I&T Division has a spending rate of about 60 - 70% , this percentage is much lower across city divisions (less than 50%) resulting in an overall spend rate of approximately 55%.

- *Increasing Demand for Technology Solutions for Business Delivery:* In addition, demand for automation is increasing every year, both internally as well as by the public to interact with the City on-line. The service efficiency studies completed outlined a common efficiency theme of investing in technology automation to enhance customer service and accountability, increase efficiencies and deliver services in an effective and timely manner to the citizens of Toronto. I&T Division has insufficient resources, skills and limited capacity to deliver new business automation while maintaining the core IT increasingly complex infrastructure and applications in a state of good repair.

Current operating capacity is being eroded due to increased business demand, increased business application inventory without an equal increase in sustainment resources, thus eroding internal capacity, as well as redirecting maintenance and sustainment capacity to support project delivery.

- *Need for a City-wide Approach to Optimize IT Solutions for Business Needs:*

A comprehensive review of IT projects city-wide was undertaken during the summer of 2012. Programs specific needs were reviewed as well as foundational and corporate components in order to optimize the City's total investment in IT systems. Projects were viewed individually as well as across City Programs to leverage existing investments, identify opportunities for efficiencies and understand dependencies between projects.

The final recommended corporate portfolio is comprised of 104 projects in 2013. The majority or 77 of the projects are currently underway and 19 are new. In addition, 8 new service efficiency projects have been identified as essential to provide business need capability.

Once the recommended portfolio of IT projects was completed, an extensive review of resources available to deliver the capital program was undertaken. The conclusions drawn from the review of resources were that 1) low spending rates historically are the result of lack of IT resources to assist in the implementation of capital projects; 2) some resources have been re-directed over the years to address day-to-day operational needs as a result of budget targets over the past few years; and 3) demand for IT solutions to support business needs continues to grow.

It was also concluded that, in order to implement the IT portfolio in a timely manner, a total of 126 resources are required. The existing available complement for capital project delivery is 68; leaving a gap of 58 resources. These positions are security specialists, systems integrators, architects, business analysts, etc. These are the specific skills that are required to assist in implementing capital projects for the IT division and program specific IT projects city-wide.

It is imperative that the IT portfolio recommended and the resources required to implement the capital projects be in place in 2013 in order to address eCity strategic priorities, meet divisional business needs and allow the public greater access to information and interaction with City services.

- *Resource Funding Strategy:* The hiring of the IT resources will be staggered throughout 2013 until all 58 positions are hired by the end of 2013. This will increase the I&T Division Gross Operating Expenditure Budget by \$3.0 million in 2013 and a further \$4.1 million in 2014. In order to minimize the increase to the I&T Division Net Operating Budget, the 2013 funding source is the I&T Capital Budget and Sustainment Reserves. The impact on the Net Operating Budget will be phased in over 4 years from 2014 ([See Table 1](#)).

Table 1: Resource Funding Strategy

Source of Funds	2013 (000's)	2014 (000's)	2015 (000's)	2016 (000's)	2017 (000's)
Operating Budget*	0	\$1,775	\$3,550	\$5,325	\$7,100
Capital Budget – Debt	\$1,631	\$1,520	\$2,167	\$1,775	-
Sustainment Reserves	\$1,369	\$3,805	\$1,383	-	-
Required Funding	\$3,000	\$7,100	\$7,100	\$7,100	\$7,100

* Operating Budget incremental increase \$1.775 million 2014 to 2017

- The additional resources are required to allow the I&T Division to deliver and modernize the City's business processes and capabilities; enhance customer service opportunities; improve

accountability, increase efficiencies, and deliver services in an effective and timely manner to the Citizens of Toronto.

- In addition, I&T Division will be able to complete the 5-Year IT Road Map and key IT Enterprise-wide projects ([See Table 2](#)) which include online services and information, performance measures and reporting, financial management, managing client/ public cases and other service efficiency recommendations specifically for Transportation Services, Solid Waste Management, Facilities Management and Real Estate, as well as impacts on core state of good repair initiatives.

Table 2: Key Enterprise-wide Projects

Key IT Enterprise-wide Projects
<ul style="list-style-type: none">• Toronto Building Electronic Service Delivery Program consists of several projects to build the required technical foundation and new functionality to support the division's shift from manual, paper-based business processes to a full electronic service delivery program. The scope of this program includes the acceptance, processing and issuance of electronic building permits, a self-serve channel for other non-permit-related requests and facilitates the creation and access to historical documents that previously were only available in a non-digital format (paper/microfiche form). The Portal project will provide a new online service delivery channel as part of the TB ESD program.• The Toronto Business Portal project will enhance city services to existing Toronto businesses, support new entrepreneur and start-ups and promote business investment to Toronto through a business portal. The portal will improve and streamline online services to business clients and reduce regulatory burden. It will leverage the existing partnership with ServiceOntario's ONe-Source initiative to further integrate service delivery and simplify clients' dealings with multiple governments. In particular, the City's partnership with ServiceOntario will align the City's services to businesses with the Ontario Public Service's "Open for Business" agenda and their Business Number (BN) initiatives.• Work Management Solution streamlines work processes from service requests, work scheduling and reporting or maintenance orders to dispatching and work status.• Staff Scheduling and Time Reporting to automate scheduling of staff such as a recreation workers providing swimming lesson or a paramedic on a shift and to modernize attendance reporting to gain efficiencies.• The Web Content Initiative will modernize the City's web site to improve information access and user experience, support City's online services delivery agenda and provide divisions with better tools and capability to manage their business information content currency.• The Financial Planning and Reporting System (FPARS) will form the basis for the City to undertake a multi-year performance-focused service budget for planning,

analyzing, approving and evaluating services, activities and their respective service levels; and tracking and reporting targets and performance to assess efficiency, effectiveness and results. The City will develop a business warehouse and business capability with integrated data to support a service-based multi-year planning and budgeting process.

- **Service Efficiency IT Initiatives** for Transportation Services, Solid Waste Management and Facilities Management and Real Estate.
- **The eLearning Initiative** will provide a cost effective learning management platform and online training services for city staff to effectively access compliance and competency training from anywhere at anytime.
- **The Mobile Computing Initiative** will implement a mobile device management framework, infrastructure and system tools to support various divisional implementations of mobile applications and mobile devices as part of their service efficiency, operational effectiveness and customer service improvement.
- Other on-line initiatives and IT Infrastructure projects for State of Good Repair, Voice over Internet Protocol, Disaster Recovery, etc.

Appendix A provides a 5-year IT road map which includes timing and priorities for the IT portfolio corporately. Appendix B outlines the specific skills requirements for the 58 positions. Appendix C outlines the current operating budget complement (which includes 68 positions to support capital delivery). Appendix D provides some additional facts and figures with respect to IT activity.

Questions & Answers:

1. What is the impact if not approved?

Not approving the 58 IT resources will impede the I&T Division's ability to support the IT capital program city-wide. Significant key IT Enterprise-wide projects will be at risk, including: Toronto Building's Electronic Service Delivery program that includes the submission, processing and delivery of electronic building permits; a Work Management Solution that streamlines work order processes from 311 service requests or maintenance orders to dispatching and reporting status; a Staff Scheduling and Time reporting System to automate scheduling of staff, such as a recreation worker providing swimming lessons or a paramedic on a shift; the Web Content Initiative to modernize the City's web site and move to dynamic content; IT Infrastructure state of good repair, Voice over IP and other service efficiency initiatives.

Other consequences include delays in completing projects and business and public impacts from lost opportunities to enhance customer service and accountability, increase efficiencies and deliver services in an effective and timely manner to the Citizens of Toronto.

2. What is the future service level / standard if approved?

The additional resources recommended are required to address the backlog of projects and start to move forward to a well managed and maintained capital program in future. The overall city wide IT Capital Portfolio completion rates will increase over time. The current 2013-2022 Recommended IT Capital Portfolio plan, automation enhancements and better service cannot be delivered without the necessary resources.

Prepared by: Sherry Fahim, Director, Portfolio Management
(416) 397-9831, sfarim@toronto.ca

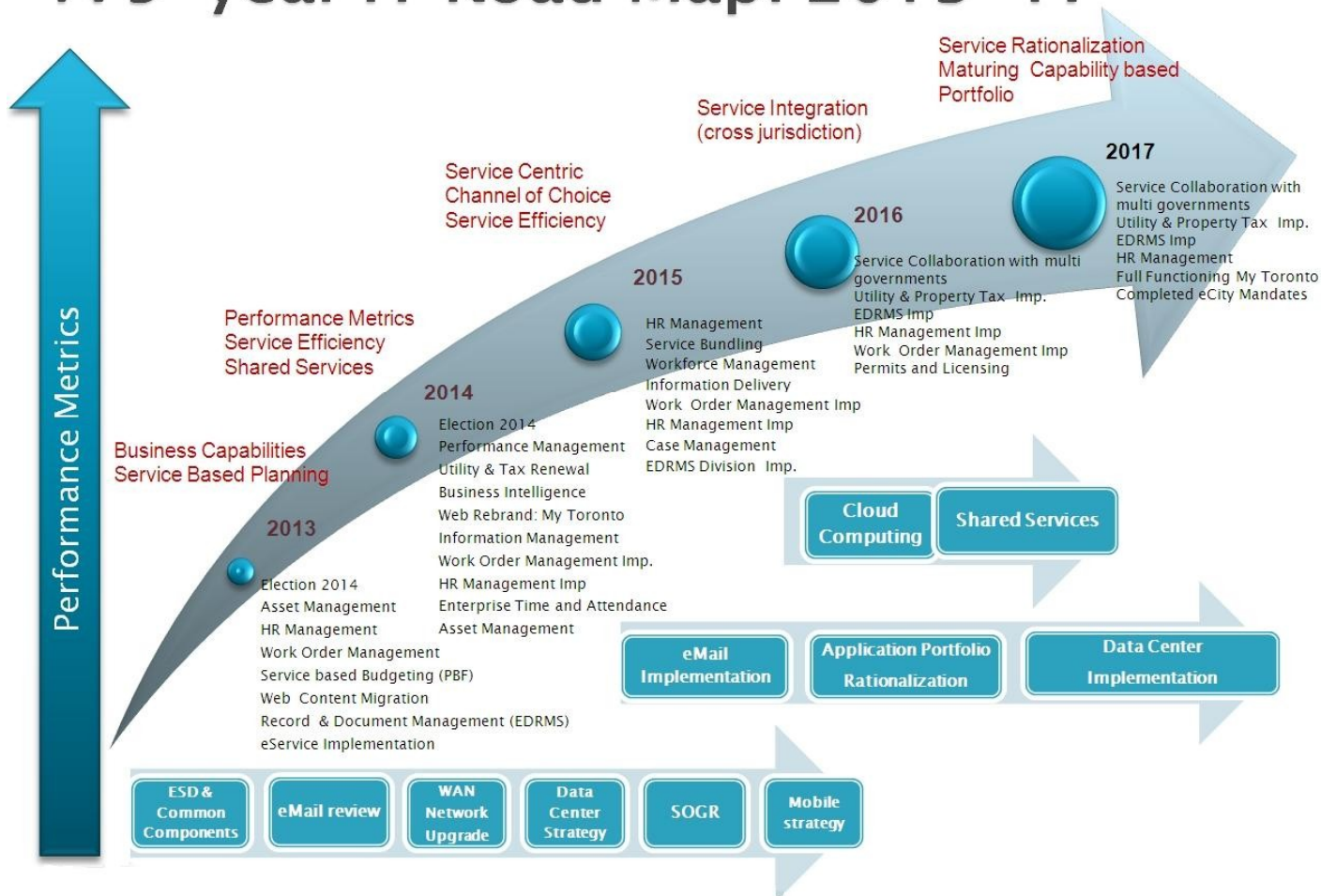
Warren Quan, Manager, Portfolio & Investment Management
(416) 338-1236, wquan@toronto.ca

Further information: Lan Nguyen, Acting Chief Information Officer, Information & Technology, (416) 392-8424, lpnguyen@toronto.ca

Date: November 30, 2012

Appendix A: 5-Year IT Road Map

A 5-year IT Road Map: 2013-17



Appendix B: IT Resource Required To Support IT Capital Portfolio

Role	Demand Gap
Application Developers/ Designers/ Analysts, (ERP SAP; Geospatial, IBMS, CRM)	13
Web Developers and Analytics Specialists	4
Business and System Analysts	8
IT Trainers	3
Architects	3
Project Managers	7
Quality Assurance A leads and Testers	6
Data Base Administrators and Web Infrastructure	4
Servers and Storage Platform Specialists	3
Other Specialists (Network, Security, Mobile Computing, Design Analysts; Procurement specialist)	8
Total	58

Appendix C: Current IT Resource Allocation

Major Services and Functions	No of Staff
SAP Competency Centre provides application support and development to all city divisions	39
Geospatial Competency Centre provides services in geospatial data and applications development	48
Web Competency Centre maintains current 80,00+ web HTML pages, forms and development of city and division web sites, 200 Domino applications	32
Application Services provide support to enterprise applications:311 applications, IBMS, CLASS, PTP, TMMS, CGIS, etc... (approx 400+ enterprise applications)	138
Architects, Planner, Information Analysts, Security, Strategic Planner, eCity support, Internet Security, Risk Management	43
PMO, Project Managers, Quality Assurance and Testing, Portfolio Analyst, Change Management,	29
Client Relationship Management, Service Level Agreement, Business Transformation, IT Training	29
Data Centre and Infrastructure Management	114
Desktop and IT Service Desk	110
Network, Voice and Wireless Communications	38
CIO's office, Finance & Admin, HR, Accounting, Contract Management, IT Procurement, Payroll, Asset Management	28
Total	648

Appendix D: IT Facts and Figures

City Divisions and staff served	44 Divisions & 37,000+staff
Novell User Accounts	22,263
Number of Data Centres including Backup and DR	3 + City Hall and Metro Hall server sites
Number of Enterprise Applications hosted and supported	767
Data Storage Volume	1 PetaByte = 1 million GB
Number of Desktops/Laptops	16,943 PC/5010 LT
Number of printers/multifunction devices	4000+
Number of Servers	1,230
Land Telephone Sets	20,647
Network Wired Data Ports	53,589
Network Enterprise Devices (e.g. routers, switches)	2270
Network Enterprise Wireless Access Points	280
Network Data Communication Circuits	1218
Network Security Firewalls	320
Remote Access/Virtual Private Network High Speed Access	4,402
Spam emails blocked per month	11 million
Internal emails per month	7 million
Internet emails per month	3 million
Calls/emails to Service Desk per year	63,608 calls/54,313 emails
No of CRM Client work requests for services and projects	730+
Public Online Applications	116
Number of IT Capital Project Business Cases submitted	avg 104 business cases/year
Visits to City web site per year	61,357,366
Number of IT Procurement Transactions/RFP/RFR/RFI	530 per year
Number of Open Datasets	103