

## **Information & Technology 2018 Year End Capital Budget and 2019-2028 Capital Plan Adjustments and Accelerations/Deferrals**

**Date:** May 10, 2019

**To:** Budget Committee and Executive Committee

**From:** Chief Information Officer

**Wards:** All

### **SUMMARY**

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This report requests City Council authority to amend Information & Technology's 2018 Capital Budget and 2019 – 2028 Capital Plan by adjusting project costs and cash flows contained within the Budget and Plan, respectively, to align with year-end expenditures and project progress. The adjustments will have a zero gross and net budget impact on the 2018 Capital Budget and 2019-2028 Capital Plan and will align the budget and plan with Information & Technology's capital project delivery schedule and program requirements.

### **RECOMMENDATIONS**

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The Chief Information Officer recommends that:

1. City Council authorize the reallocation of 2018 cash flow within Information & Technology's approved 2018 Capital Budget and 2019-2027 Capital Plan in the amount of \$1.431 million, for acceleration and deferral of projects, as presented in Schedule A, with a zero budget impact.
2. City Council authorize the reallocation of 2019 cash flows within Information & Technology's approved 2019 Capital Budget and 2020-2028 Capital Plan in the amount of \$1.431 million for the acceleration and deferral of projects, as presented in Schedule A, with a zero budget impact.
3. City Council authorize the reallocation of cashflows and project costs in Information & Technology's approved 2018 Capital Budget and 2019 - 2027 Capital Plan in the amount of \$0.565 million from projects that are currently under budget to those requiring additional funding in the same amount as presented in Schedule B, with a zero budget impact.

## FINANCIAL IMPACT

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Information & Technology achieved a delivery rate of 71% of its 2018 approved Capital Budget of \$88.840 million. The delivery of the Enterprise Collaboration Foundation Project and the Workforce Business Intelligence Project exceeded 2018 cash flow forecasts while some projects were re-scoped to align with changing technology, resulting in the need to amend the 2018 Approved Budget and 2019-2028 Capital Plan to reflect project accelerations, deferrals and adjustments as outlined in Schedules A & B.

The acceleration of project cash flow from 2019 to 2018 for the Enterprise Collaboration Foundation will be offset with a cash flow deferral from 2018 to 2019 for the Consolidated Data Centre project, with no impact to either project's budget.

In addition, a number of projects were under budget in 2018, resulting in funding from these projects being available for reallocation to the Workforce Business Intelligence project that incurred additional expenditures in 2018 as outlined in Schedule B.

There are no additional costs to the City as a result of the approval of this report. The recommended adjustments will align the 2018 Capital Budget and 2019-2028 Capital Plan with Information & Technology's (I&T) capital delivery schedule and program requirements.

## DECISION HISTORY

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City Council at its meeting on February 12, 2018 approved I&T's 2018 Capital Budget and 2019-2027 Capital Plan, which included approval of a 2018 Capital Budget cash flow of \$62.262 million. The Council Decision Document can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX31.2>

The 2018 approved budget, through adjustment to the carry-forwards, was amended by Executive Committee on April 17, 2018 (EX 33.14 2018 Capital Budget Adjustments for Carry Forward Funding) resulting in an overall budget increase of \$30.886 million and can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX33.14>

Budget Committee endorsed further technical 2018 budget adjustments to various projects through quarterly 2018 capital variance reporting which were approved by Council on June 26, 2018 and July 23, 2018 with a zero dollar overall impact on the 2018 Approved Capital Budget and 2019-2027 Capital Plan and can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX35.32>

and at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX36.16>

City Council at its meeting of March 7, 2019 approved I&T's 2019 Capital Budget and 2020-2028 Capital Plan, which included approval of a 2019 Capital Budget cash flow of \$62.262 million. The Council Decision Document can be found at:  
I&T 2018 Year End Capital Budget and 2019-2028 Capital Plan  
Adjustments

flow of \$67.172 million and 2018 carry-forward funding of \$24.108 million. The Council Decision Document can be found at:

<http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getCouncilMinutesReport&meetingId=15350>

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 I&T, and can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.BU5.1>

## COMMENTS

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Information & Technology requires the amendment of the 2018 Approved Budget and the 2019-2028 Capital Plan to align the cash flows with the 2018 actual expenditures to better reflect capital project delivery and program requirements resulting from changes in the project delivery schedules and in-year expenditures.

The Enterprise Collaboration Foundation program accelerated \$1.431 million of its 2019 funding allocation. This was due to a revised corporate roll-out of Q1 2019 for the Voice and Messaging Collaboration Foundation Project. The Project, actively in progress of rollout, is meant to transform the digital employee experience by improving workforce productivity and capabilities by enabling instant messaging, voice communication, voice mail retrieval and simple/intuitive desktop sharing anyplace/anytime while using city issued portable computing devices. The original roll-out was targeted to commence in Q3 2019. As a result, all necessary Unified Communications Enterprise licences were purchased in 2018 to perform the associated tasks to enable expedient, on time solution delivery.

To offset the acceleration referenced above, funds in the Consolidated Data Centre Project were deferred to 2019 due to a delay of six months in the General Contractor award and agreement of final contract. The Consolidated Data Centre Project deferral of funds from 2018 to 2019 results in a net zero impact on total project budget and anticipated spend. The acceleration/deferral is outlined in Schedule A.

The City's People, Equity and Human Rights Division partnered with the Information & Technology Division to develop an enterprise workforce dashboard "that will deliver formatted workforce data on every manager's desktop" through the implementation of the Workforce Business Intelligence (BI) project. The enterprise workforce dashboard also known as the WIN Dashboard offers centralized access to various workforce topics, enabling senior leaders with an efficient way to gather key employee data, evaluate their status relative to relevant benchmarks and support evidence-based workforce management and planning. The project was completed in August 8th, 2018 and has since been in sustainment phase.

The Implementation of the project was originally intended to be completed in May 2018 but was later moved to August 2018 to accommodate the completion of development and training activities, a total of three months delay resulting in additional costs. A stabilization period was required. Select technical contract resources were needed at an

additional cost of \$0.565 million to continue with the project to provide post-implementation system support from August 9th to December 31st, 2018 as well as to transition the work to People, Equity and Human Rights' business operations.

To offset this requirement of \$0.565 million, funding was transferred from five projects that were underspent at year end (as listed in Schedule B) due to the re-evaluation of scope and longer hiring cycles for specialist staff.

## **CONTACT**

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## **SIGNATURE**

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Rob Meikle  
Chief Information Officer

## **ATTACHMENTS**

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Schedule A - Information & Technology 2018 and 2019 Budget Reallocations due to Accelerations and Deferrals

Schedule B - Information & Technology 2018 Budget Adjustments