

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2017 January 17

FROM: CHIEF INFORMATION OFFICER

FILE:

SUBJECT: 2017 INFORMATION TECHNOLOGY CAPITAL PROGRAM

PURPOSE: To request approval for capital expenditure and funding bylaw for Information Technology Capital Program.

RECOMMENDATIONS:

1. **THAT** Financial Management Committee recommend Council approve the capital expenditure of \$2,960,744 for the 2017 Information Technology program as outlined in this report.
2. **THAT** Financial Management Committee recommend Council authorize staff to bring down a Capital Reserves Bylaw in the amount of \$3,099,096 (inclusive of GST of \$138,352) to finance the program.

REPORT**1.0 INTRODUCTION**

The Draft 2017– 2021 Provisional Financial Plan identifies funding for information technology projects. The 2017 portion of the 2016 – 2020 Annual Financial Plan included a provision for the continuation of projects commenced in 2016 for a number of initiatives under IT Infrastructure and Business Solutions (software). In order to ensure the success and completion of these initiatives, IT would like to initiate work as early as possible. This funding request reflects the anticipated scope and the cost estimates associated with these initiatives in 2017. Sufficient Capital Reserves are available to complete these purchases.

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2.0 IT INFRASTRUCTURE PROGRAM \$1,968,500

The 2017 IT Infrastructure program includes infrastructure replacement and growth initiatives to replace aging computer equipment, upgrade or expand infrastructure to support the technical applications throughout City departments, and to enhance service to the public and internal stakeholders.

2.1 INFRASTRUCTURE REPLACEMENT \$1,040,500

The City maintains an annual replacement program for its computer equipment such as servers, workstations, monitors, tablets and associated peripheral devices. For 2017, funding is required to replace a number of older servers, workstations, cabling, and equipment that have reached the end of their useful life.

Specific replacement works consist of:

- Computers, laptops, tablets and related workstation equipment
- Application servers and Storage
- Network communications equipment and Security
- Additional minor replacement projects

2.2 INFRASTRUCTURE REQUIRED FOR GROWTH \$928,000

This program includes purchases of new computer equipment, peripherals, software licences and services. It also provides for technology software application upgrades to support planned 2017 City business application projects which address organizational needs, augment public services and reduce business risks associated with aging technology.

Specific works include:

- Client workstation and mobile device management systems upgrades
- New Servers to facilitate implementation of departmental applications
- Network and Security Upgrades
- Data Centre equipment upgrades

Project descriptions and 2017 cost estimates for IT Infrastructure Program are presented in Appendix 1.

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3.0 BUSINESS SOLUTIONS

\$992,244

The City develops an annual plan to replace and upgrade business applications for the purposes of enhancing citizen service through quicker and easier access to City information and services online, and to ensure internal systems are robust, sustainable and continue to evolve to meet the changing needs of the business.

The initiatives, which comprise the proposed 2017 program, have been selected based on input from City departments and prioritized based on criteria established by the City's IT Executive Steering Committee which consists of senior staff from all user departments.

The 2017 Information Technology program includes the following key initiatives:

- Manager & Employee Self-Service - Benefits & Personal Administration
- Corporate Point of Sale system
- Tax & Revenue Management
- Fleet Management and Maintenance system
- SAP Service Pack implementation (annual upgrade)
- Systems Enhancements
- SAP Solution Manager Revamp

Projects descriptions and 2017 cost estimates for Business Solutions Program are presented in Appendix 2.

4.0 RECOMMENDATION

It is recommended that the Financial Management Committee recommend Council approve the capital expenditure of \$2,960,744 for the 2017 Information Technology Program as outlined in this report, and for the Financial Management Committee to recommend Council authorize staff to bring down a Capital Reserves Bylaw in the amount of \$3,099,096 (inclusive of GST of \$138,352) to finance the program.



Shari Wallace
CHIEF INFORMATION OFFICER

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Copied to: City Manager
Deputy City Manager
Director Finance
Director Engineering
Director Planning and Building
City Solicitor

Appendix -1

IT Infrastructure Capital Program for 2017 – Supplementary Information

1.0 INFRASTRUCTURE REPLACEMENT \$1,040,500

The City maintains an annual replacement program for its computer equipment such as servers, cabling, network, workstations and associated peripheral devices. For 2017, funding is required to replace a number of older servers, workstations, and equipment that have reached the end of their useful life.

Specific replacement works consist of:

- Computers, laptops, tablets and related workstation equipment \$327,000
 - Standard 4-year lifecycle replacement (Note: IT has moved to a 4-year replacement schedule for standard workstations, with monitors on a 6-year replacement cycle)

- Application servers and Storage \$212,500
 - Standard hardware lifecycle replacement based on risk analysis of the expected life of the servers and disk combined with the business criticality of the applications
 - Replacement of existing physical servers with faster, larger format, servers that will better support our server virtualization initiatives

- Network communications equipment and Security \$452,000
 - Upgrading facility switches with current models.
 - Upgrading network uplink connection speeds from 1GB to 10GB

- Additional minor replacement projects \$49,000
 - Minor hardware replacement projects for small network, workstation and security devices.

2.0 INFRASTRUCTURE REQUIRED FOR GROWTH \$928,000

This program includes purchases of net new computer equipment, peripherals, software licences and implementation services, as well as upgrades to the technical systems software that operates the hardware. This new infrastructure will support planned 2017 City business solutions initiatives which address organizational needs, augment public services and reduce business risks associated with aging technology.

Specific works include:

- Client workstation and mobile device management systems upgrades \$68,000
 - Upgrade windows and mobile devices management systems that are required to keep client platforms secure and up to the latest and most stable releases
- New Servers to facilitate implementation of departmental applications \$121,000
 - New servers added to our environment for new projects (Note: these are for smaller initiatives; hardware for larger initiatives are included in specific project budgets)
- Network and Security Upgrades \$546,000
 - Includes the upgrades of network links and fiber optics cabling to remote sites
 - Enhancement of security threat detection and monitoring systems
 - Security Firewall upgrades
- Data Centre equipment upgrades \$193,000
 - The installation of environmental sensors and infrastructure monitoring tools
 - Upgrading and securing wiring closets across the City

Appendix -2

IT Business Solutions Capital Program for 2017 – Supplementary Information

1.0 BUSINESS SOLUTIONS \$992,244

The 2017 Information Technology program includes the following key initiatives:

- Manager & Employee Self-Service - Benefits & Personal Administration \$73,202
 - The Managers' Self-Service project will enable City staff to perform key functions online: e.g., submit and approve leave applications, view team calendars and approve or reject timecards.

- Corporate Point of Sale system \$107,000
 - This project started in 2015 and continues the implementation of a new third-party POS system which offers the latest technology and capabilities and will assist the City in maintaining PCI compliance.

- Tax & Revenue Management \$79,857
 - A study to determine the best suitable replacement for the legacy Property Tax System. The study includes determining initial requirements, identifying potential third party and in-house solutions, studying risks and benefits associated with the various approaches and building a Request for Proposal and business case.

- Fleet Management and Maintenance system \$257,458
 - Retirement of current legacy fleet management system and replacement with SAP functionality, including asset lifecycle management, work management and financial management of vehicles and equipment.

- SAP Service Pack implementation (annual upgrade) \$319,427
 - Annual initiative to apply the latest SAP service pack which contains critical system updates, legislative and regulatory changes, enhancements and new functionality required by City departments.

- Systems Enhancements \$106,788
 - A range of minor enhancements to enterprise and department systems to enhance functionality and address emerging business needs.

- SAP Solution Manager Revamp \$48,512
 - Study to recommend upgrade path for SAP Solution Manager Software