

JAN 22 2019

ITEM: 6.3 PFC2019-0041
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CITY CLERK'S DEPARTMENT

2019-01-22



ZBR Program Update
January 2019


Priorities & Finance Committee

PFC2019-0041

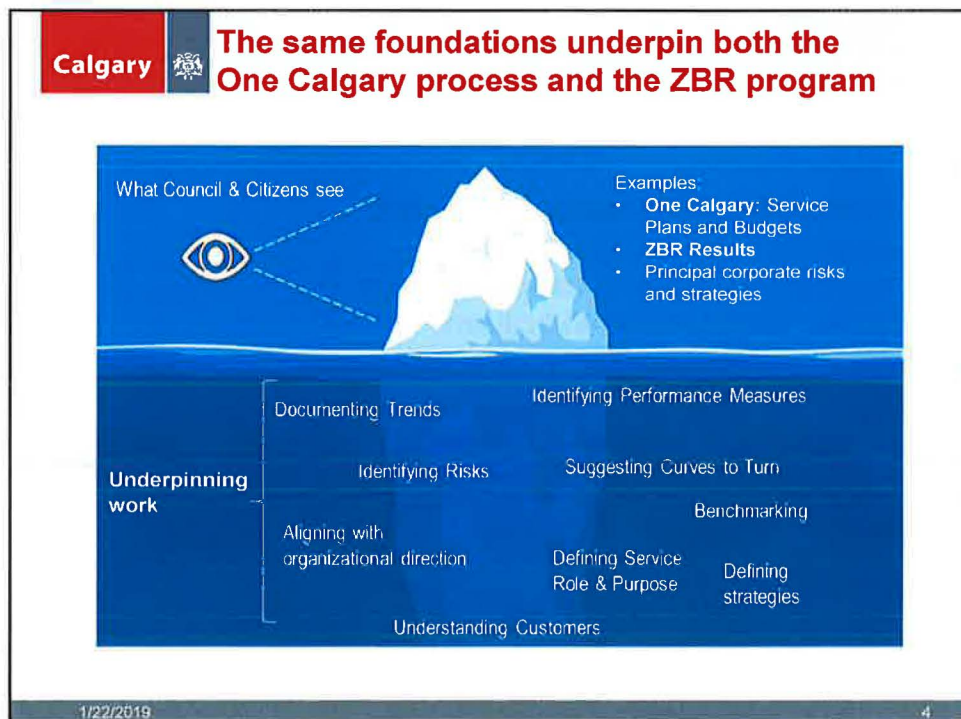
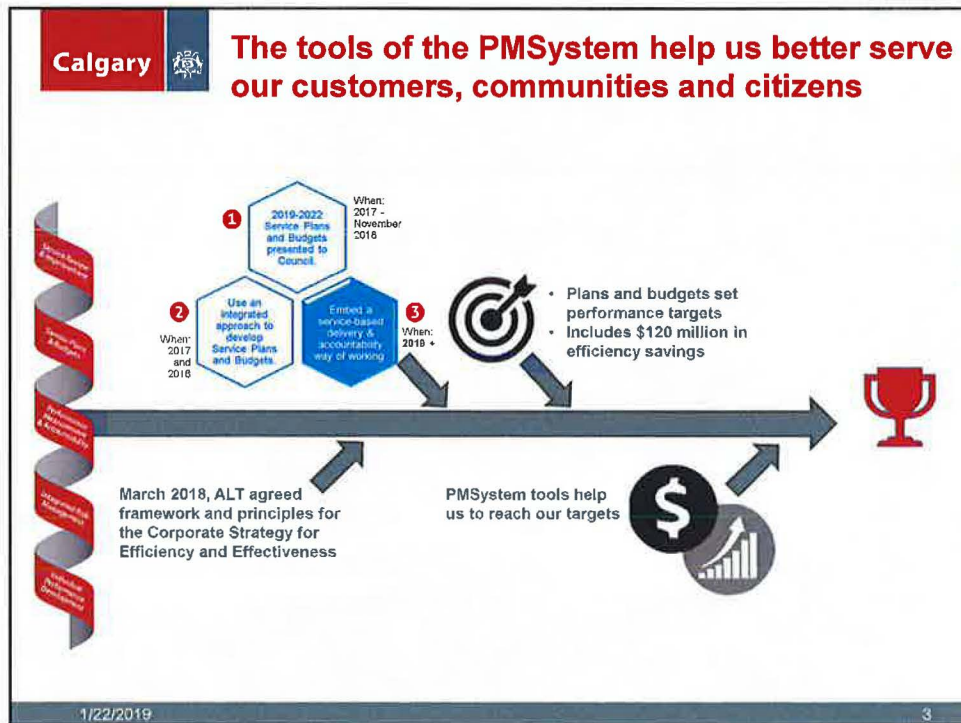
January 22, 2019

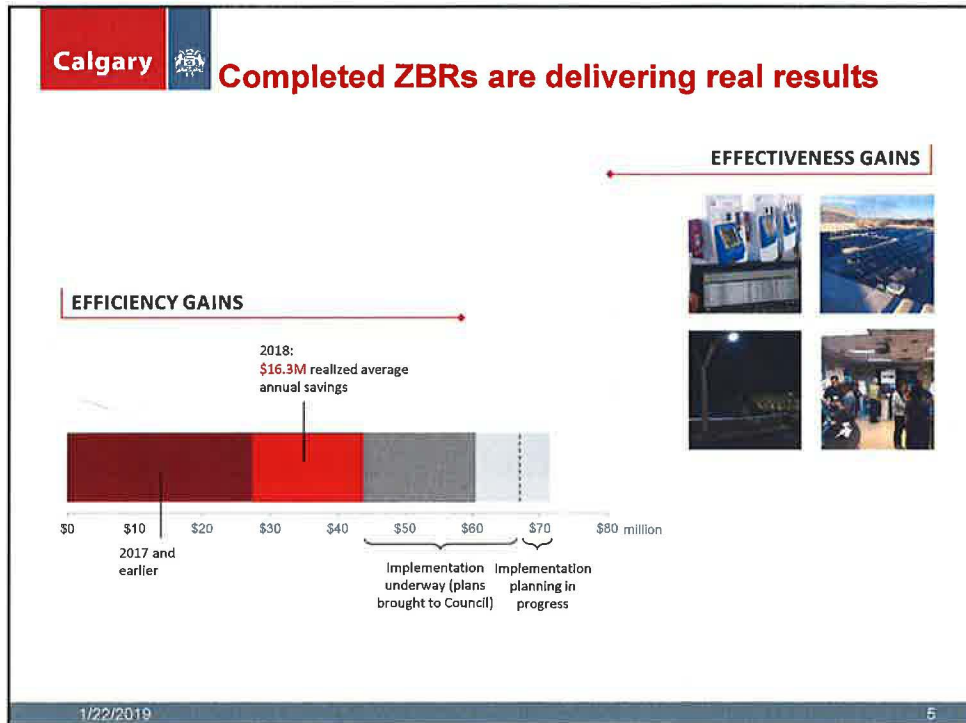


The **Performance Management System** is a disciplined approach to continuous improvement designed to better serve our customers, communities and citizens



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The Role of Technology in Municipalities is Evolving



“Tech is no longer an industry, it is a strategic piece of *every* industry. We are all technology companies now.”

-Alan Murray, Editor of Fortune Magazine (2017)



Why It's Important to Understand Technology


- Pervasiveness of technology.
- Connects city services with citizens.
- Every city service is supported by technology.
- City services rely on technology to run, optimize and transform business operations and provide better customer service.




Calgary  **IT is here...**




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Calgary  **...and IT is here, too**




"Technology will be embedded in everything in the digital business of the future."
-David Cearley, Vice-President, Gartner (2017)


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Calgary  **Balancing Customer Need with Corporate Good**

Current



Desired




➔

IT ZBR Opportunities:

- Improving Customer Understanding
- Clarifying Mandate
- Providing the Right Devices to Employees
- Agreeing on Levels of Service
- Reviewing Application Portfolio Management Practices
- Tracking Total Cost of Ownership
- Rationalize Existing Application Portfolio

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Calgary  **Progress of ZBR Opportunities**

Opportunities	Understand	Discover	Develop	Implement	Benefit
Improving Customer Understanding	➔ ✓				
Clarifying the Mandate	➔ ✓				
Reviewing Application Portfolio Management (APM) Practices	➔ ✓				
Rationalizing the Existing Application Portfolio	➔ ✓				
Tracking Total Cost of Application Ownership	➔ ✓				
Agreeing on Levels of Service	➔ ✓				
Providing the Right Hardware Devices to Staff	➔ ✓				
Other ZBRs' Opportunities	➔ ✓ ➔ ✓				

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Calgary Benefits at a Glance

Financial Benefits

- \$1.3M in cash savings and \$4.4M in productivity gains (per year upon full implementation)

Balanced Service Outcomes

- Citizen expectations are met by balancing customer needs and the corporate good

Informed Software Decisions

- Portfolio decisions are educated, transparent and collaborative

Smarter Portfolio

- The City's portfolio software is optimized to reduce cost and risk

Maximize Our Hardware

- Hardware tools are provided to the right level – no more, no less – to maximize productivity and dollars invested

Improving Information Technology's Sustainability

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Calgary IT Service by the numbers

Products and Services

- 281 citizen-facing transactions available by web or mobile app
- 375,000 myID citizen accounts & 7,000 myID business accounts
- 680 line-of-business and enterprise applications supported
- 100 cloud computing implementations (Q4 2018)
- 86 technology projects executed per year between 2015-2018 (average)

People (Headcount)

Category	Count
Core	23
Temporary	49
Contractors	417

Assets

- 2,600 virtual servers
- 450 physical servers
- 22 M connections per year at over 80 free public WiFi locations
- 3,200 terabytes of storage
- 30,000 network IP endpoints
- 500 km of fibre optics providing high-speed networks to 600 City locations
- 333% increase in network traffic since 2014
- 100% growth in storage since 2014
- 50% expansion in network IP endpoints since 2016

Financial


2018 GROSS OPERATING EXPENDITURES \$121 M

Category	Percentage
Internal Recovery	40%
Tax Support	53%
Other Revenue	1%


WHAT THE SERVICE INCLUDES: OPERATIONAL SPENDING


Category	Amount
Governance	\$0.9 M
Infrastructure & Platforms	\$30.1 M
Workforce Productivity	\$28.5 M
Business Systems & Consultation	\$62.7 M

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Calgary  **IT's path to a better balance starts at the foundation**

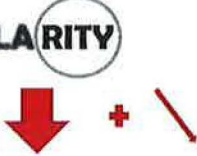
Improved Customer Understanding





Clarity of IT Mandate


CLARITY



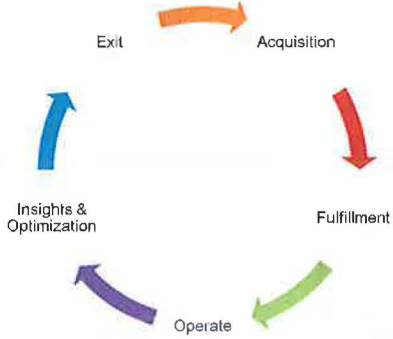
Application Portfolio Management Opportunity

Shared Challenges ZBR

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Calgary  **Application Portfolio Management – What is it?**

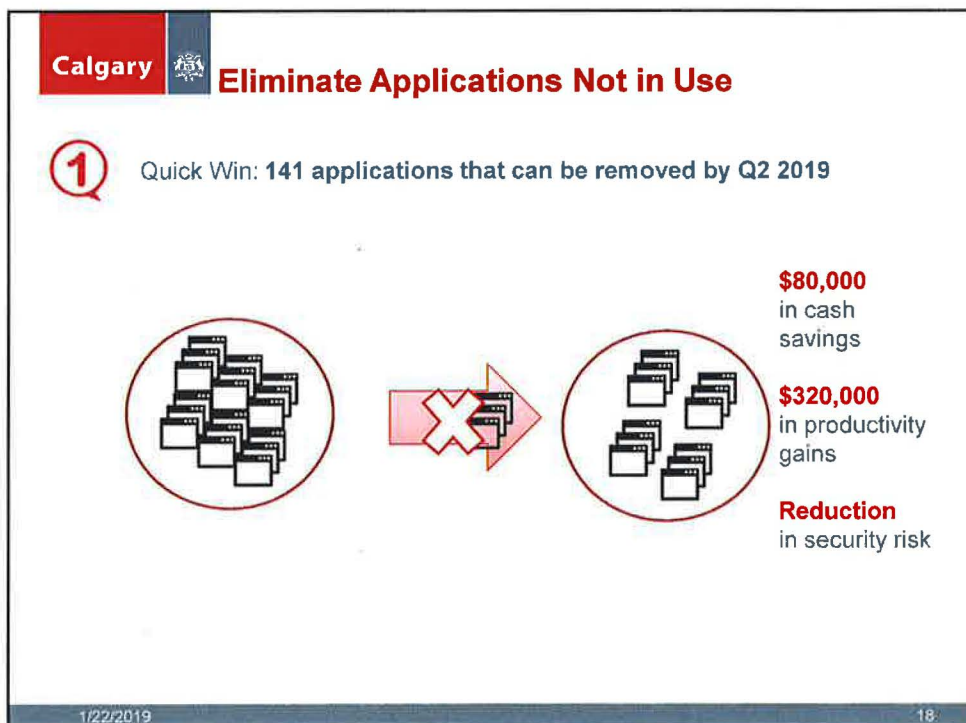
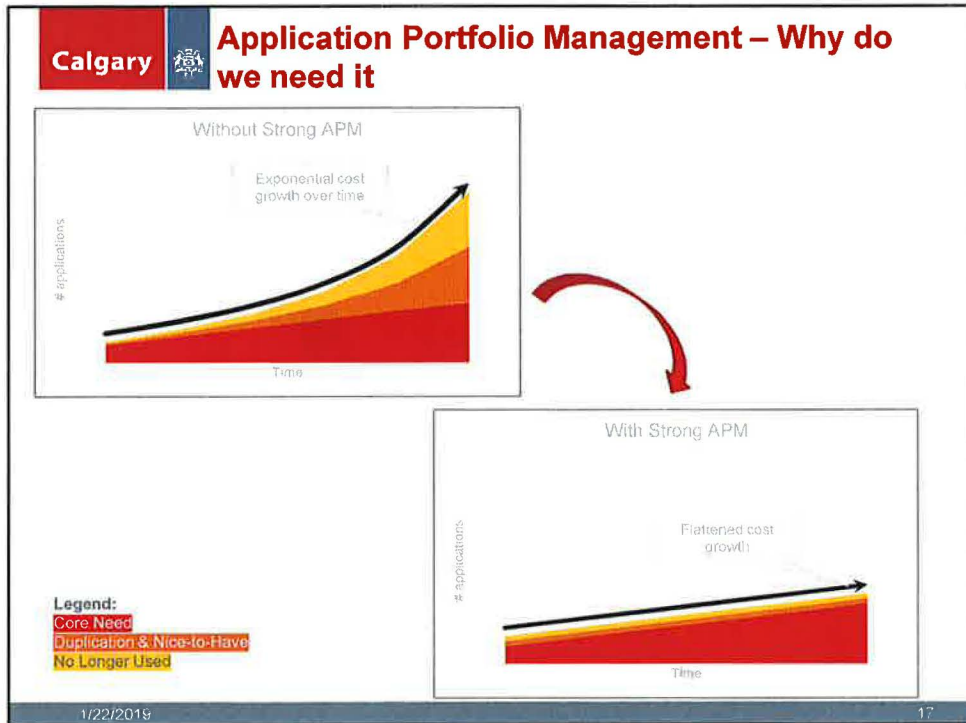
*Application Portfolio Management (APM) is an IT discipline that, at its foundation, manages the lifecycle of an organization's **entire set** of IT applications in a way that **aligns the portfolio to business strategy in the most efficient way possible.***



APM practices treat applications as **assets managed through a lifecycle.**

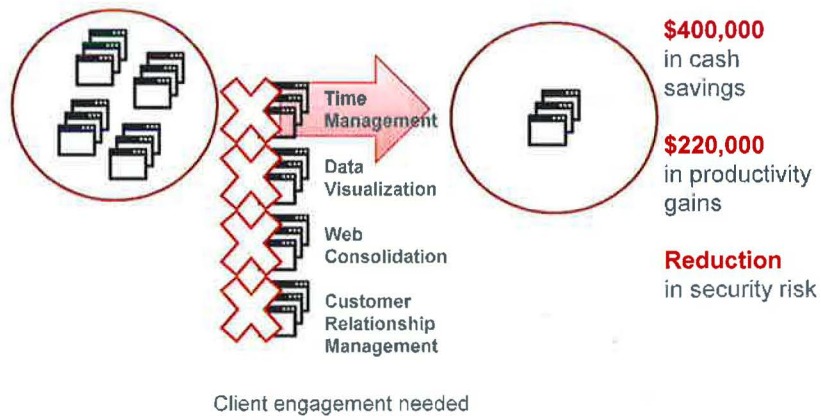
- Assets that provide little value are dropped
- Duplicate applications are rationalized
- Annual fees managed

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Calgary  **Eliminate Duplicate Applications**

2 Business cases for the first four areas where duplication exists




Calgary  **Understand the True Costs**


3 Make more informed investment decisions




Clear financial understanding makes the case for rationalization and the corporate good more obvious

Calgary  **Other ways of creating a better balance**

Implementation of two more opportunities has already started:




Agreeing on Levels of Service



Providing the Right Hardware Devices to Staff

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Calgary  **As a result of the IT ZBR, Administration is committed to:**

1. Continuing to improve IT's customer understanding
2. Clarifying IT's mandate*
3. Providing the right devices to employees
4. Agreeing on levels of service with all IT customers
5. Using total cost of ownership information for IT investment decisions
6. Rationalize the existing application portfolio
7. Reviewing Application Portfolio Management practices and implementing new practices approved by ALT

* To be achieved through the Shared Challenges of the internal Services ZBR

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Administration Recommends:

That the Priorities and Finance Committee recommend that Council:

1. Receive for information:

- a. ZBR Program Dashboard (Attachment 1);
- b. IT ZBR Summary Report (Attachment 2); and
- c. Roads ZBR Final Implementation Update (Attachment 3).