

**CORPORATE SERVICES DIVISION
INFORMATION TECHNOLOGY DEPARTMENT
CORE SERVICES REVIEW**

BENCH MARKING

- MPMP (Municipal Performance Measurement Program) or OMBI (Ontario Municipal CAO's Benchmarking Initiative) data is not available for Information Technology.
- Benchmarks for IT are derived from comparing other municipalities.
- Relevant comparators include (see attached comparators):
 - Number of IT staff per 100,000 population
 - IT Staff as a percentage of Total Staff
 - Number of PCs supported per IT staff
 - IT Budget as percentage of Total Operating Budget
- Basic comparators do not reflect the complexity of IT departments between municipalities; however, there are some statistics that are typically used to indicate complexity. More complex environments require more staffing to support. These comparators include
 - Number of remote sites
 - Number of software systems supported
 - Number of departments support
 - Number of phones and phones systems
- Formal surveys are conducted yearly through the Municipal Information Systems Association (MISA) that covers standard comparators and can be used to compare like municipalities. MISA averages are separated into municipalities with populations under 100,000 and those over 100,000. Some examples of MISA comparators are:

Benchmark	MISA Avg (100K+ Pop)	MISA Avg (<100K Pop)	Lambton County
IT Staff as % of total staff	2.3%	1.5%	1.06%
Computers per IT Staff	30.0	47.3	64.2

- The IT Department has also conducted its own survey with comparative information. Key results are attached.
- Independent research firms such as the International Data Corporation (IDC) and the Infotech Research Group provide benchmarks for technology services in the Public sector that can be purchased. Some comparative samples include:

Benchmark	KPMG	Infotech Research	Lambton County (2006)
IT Budget as % of Total Operating Budget	2 to 7%	N/A	1.25%
Total Employees per IT Staff Member	25 to 50:1	41:1	92:1

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BEST PRACTICES

- There are no formalized best practices available for municipal Information Technology services.
- The Ontario Centre for Municipal Best Practices has currently only produced Best Practice Reports in the areas of Roads, Transit, Waste Management, Water and Sewer.”
- Technology best practices are recognized as being important and groups such as MISA are investigating them.
- Best practices for IT can also be obtained from private business as the application of technology is often similar.

PROVINCIAL FUNDING COMMITMENTS

- There are no specific funding programs for Information Technology either provincially or federally.
- There is usually funding available for technology at the beginning of new program support, i.e., downloading or Best Start, however this is usually one time funding to get the required technology in.
- There is some continued funding from Ontario Works; however, it is minimal (\$21,495).
- Some funding is received for special projects such as Geosmart (GIS Funding of \$500,000), and Community Access Program (CAP), however, it is rarely sustained funding and once the project is implemented recurring costs are the responsibility of the County.
- These funding programs usually require matching funds requiring additional County budget to receive it. Also, these programs often have short windows of opportunity requiring both time and money commitment quickly, often outside the budget cycles.

ALTERNATIVE SOURCES OF DELIVERY

- Option 1 - Outsource all or part of IT Services
- Option 2 – Decentralize IT Services
- Option 3 – Status Quo

- **Option 1 – Outsource All or Part of IT Services**
 - Outsourcing all or part of IT is a delivery model that has been around for a number of years, in fact, up until 2002 the County’s IT services was outsourced to several outsourcing vendors.
 - A number of reports including the *Galloway Report of 2001* followed by the *Way Forward Report* and the *Ted Klitch Report* recommended the move away from outsourcing to that of utilizing internal staff to improve service delivery.
 - Some organizations have realized a cost savings in outsourcing however many have not and a trend exists to move away from it.
 - One local example is Huron County which is currently replacing its contracted IT resources with Internal IT staff.
 - The April 2005 Deloitte & Touche consulting report on outsourcing *Calling a Change in the Outsourcing Market* states “The world’s largest companies have engaged in outsourcing for a variety of reasons: to reduce costs, expand capabilities, and increase flexibility. However, contrary to the optimistic portrayal of outsourcing by vendors and the marketplace, outsourcing is an extraordinarily complex process and the anticipated benefits often fail to materialize.”
 - Internal IT staff costs on average under \$45.00/ hr including benefits while contractors often charge over \$125.00 per hour. Some discounting may be possible over longer contracts but is difficult to determine without entering into negotiations.

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Option 1 - Outsource All or Part of IT Services

Pros	Cons
Potential for reduced costs	Increased resource required to manage contracts and ensure contract compliance
Staffing level flexibility	Staff not loyal to Corporation, performance issues
Focus on the County Business	Higher staff turnover
Free up resources for other purposes	Intellectual property not that of County and may be lost
Obtain specialized resource if needed	All non-covered work is extra- this can get very costly
Staff management lessened	Complex multi-divisional support required, expensive to find resources
	Privacy issues
	Lower Consistency of service

- **Option 2 - Decentralize IT Services**
 - This model involves using IT staff dedicated to specific services, for example, a PC tech and analyst for Health Services that may or may not reside with that division.
 - This was the method of delivering County IT services in the early 90's and was ineffective and inefficient.
 - Several reports including the *KPMG Report* identified this as an issue and recommended the centralized approach to IT Support.

- Several software programs span Divisions which requires some centralized support, i.e., network connections, Financial Information System, Microsoft Office. Centralized staff will still be required to support these systems corporately.
- Like Outsourcing, corporations are also moving away from decentralized support in favour of in-house technology services. One example is Kingston which has recently moved its Social Services IT staff to the centralized IT Department.

Option 2 - Decentralized IT Services

Pros	Cons
Dedicated IT resource for department or division improves their service	Redeployment and reallocation of staff to different priorities difficult.
Thorough understanding of departmental needs	No consistency or standards between divisions
Immediate response to localized issues	More staff and space may be required
Less reliance on connectivity simplifies network	Some departments may be less served
	Requires more hardware throughout County

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- **Option 3 – Centralized IT Serviced by Internal Staff**
 - The County’s current method of providing IT Services is a centralized model and is working well and providing excellent service to all County departments while keeping costs as low as possible.
 - Through monitoring and analyzing IT requirements the department has adapted to support new technologies and changing corporate priorities and needs. (i.e., moving an Analyst position to that of Web Developer)
 - Reallocation of some PC work has resulted in a continuance of decent helpdesk response times; however, this is not sustainable and has led to diminished customer service.
 - There also remains a need to acquire additional contractors when large “special projects” are identified and implemented outside the regular day-to-day IT Services.

- **Recommendations**

1. That the County’s IT Services be delivered as they currently are as suggested in option #3; centralized IT service delivery utilizing internal staff.
2. That GIS Service delivery remains under the Corporate Services Division as is the current practice.

Option 3 – Centralized IT Serviced by Internal Staff

Pros	Cons
All departments equally serviced	Difficult or costly to reduce services
Flexible coverage of varied services	Additional training is required to keep up with new technologies
Less turnover	Management of staff required
Unique County technology coverage in house	
Standardized service delivery	
Staff dedicated to County vision	

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	Information Technology Benchmark Comparators							
Comparative Statistic	Lambton	Chatham	Huron	Kingston	Niagara	Simcoe	Waterloo	Sarnia
Total number of employees	1220	1700	664	792	2600	1400	2500	581
Number of IT Staff	13	21	6.5	24	40	16	36	4
Ratio of total staff to IT staff	93.8	81.0	102.2	33.0	65.0	87.5	69.4	145.3
Number of GIS Staff	2	3	N/A	5	6	5	6	0
Population	127,000	110,000	60,000	120,000	425,000	359,277	475,000	70,876
Number of Remote Sites	48	111	1	38	68	35	50	16
PC's, Laptops	817	954	470	750	1450	700	1600	169
Servers	17	9	18	35	65	25	55	5
Phones	889	1608	286	1035	?	652	2719	278
Phone Systems	8	32	5	4	?	1	11	5
Number of software programs	25	150	10	22	70	59	100	12
Number of IT Consultants used?	0	1	1	1	varies	0	varies	2
PCs/Laptops supported per IT staff	64	46	75	33	38	45	46	44
Support the following:								
Libraries	x	x	x				x	
Housing	x	x	x	x	x	x	x	
Health Units	x	x	x		x		x	
Homes for aged	x	x	x	x	x	x	x	
Police		x			x			
EMS	x	x	x	x	x	x	x	
Fire		x		x				x
Social Services (Ontario Works)	x	x	x	x	x	x		
2005 IT Operating budget	1.61	3.41	0.50	4.37	9.00	3.16	4.00	0.70
2005 IT Capital Budget	0.14	0.00	0.50	1.27	4.00	0.43	0.44	0.00
Total Operating Budget	139.84	373.20	32.00	241.00	659.00	338.00	482.00	91.00
Total Capital Budget	11.86	0.00	17.00	191.00	166.00	43.00	?	7.00
Total IT Budget as % of operating	1.25%	0.91%	3.13%	2.34%	1.97%	1.06%	0.92%	0.77%