Service BC Project
Summary Report

TABLE OF CONTENTS

EXECUTIVE SUMMARY

This report provides a summary of the rationale, final outcomes and benefits to be achieved from the Service BC Alternative Service Delivery (ASD) project between the Ministry of Labour and Citizens' Services ("Ministry") and IBM Canada Limited ("IBM Canada") referred to as the Service BC project.

The Service BC project was initiated in October of 2004, with the release of the Joint Solution Request for Proposal. A master services agreement between the Province and IBM Canada (the "Agreement") was signed on June 29, 2006, the scope of which includes the management and operation of Service BC's contact centre and portal environments, as well as various projects to improve service delivery such as the development of a channel management strategy which will provide the framework for integration efforts within and across Service BC's service channels.

IBM Canada is a Canadian subsidiary of International Business Machines Corporation (IBM). IBM Canada, in conjunction with its key subcontractors, Robertson Telecom Inc. ("Robertson Telecom") and ISM Information Systems Management Canada Corporation ("ISM Canada") will provide contact centre, portal, and transformation services under the Agreement. IBM Canada's key supplier, Bell Canada, will provide technology for the contact centre. A more detailed description of the services to be provided by IBM Canada is provided further on in this document.

This relationship between Service BC and IBM Canada will set the stage for a new and improved service delivery environment in which Service BC can provide consistent, seamless and innovative access to government information and services through whichever channel customers may choose to access services:

- Online (via the "portal");
- Telephone (via the contact centre previously referred to as "Enquiry BC"); and
- In-person (via the province-wide network of offices referred to as the Service BC "Government Agents").

Each service delivery channel is fundamental to an effective service delivery infrastructure. To date, these channels have operated largely independently of each other.

Service BC and IBM Canada will work together to improve the way services are delivered to the citizens of British Columbia within a new, integrated, cost-effective and efficient service delivery environment. As a result of the Agreement, Service BC will leverage the expertise and technologies of IBM Canada. There will be no job loss as a result of this Agreement.

The new integrated services solution as developed by IBM Canada and the Province replaces the existing Enterprise Portal and the Enquiry BC contact centre; providing the foundation to achieve government's commitment of improving the way services are

delivered to the public. Over time, services will be more accessible, user friendly, and responsive to individuals and communities.

An important component of the Agreement with IBM Canada is the implementation of new technology in the contact centre. This technology, to be implemented over time, will enable intelligent routing and queuing of all contacts (voice, e-mail, fax, and web chat), so that contact centre agents receive inquiries that fall within their specific skill profile.

The contact centre technology also has the capacity to handle increased volume (such as through the on-boarding of new clients[1]) of inquiries, as well as the capability to handle services such as web chat and interactive voice response. The new technology, accompanied by improved business processes, will result in better tools to ensure that employees are able to handle customer inquiries as effectively and efficiently as possible.

Other services to be provided by IBM Canada include the management and operation of the Service BC portal environment (application management, maintenance and support, refresh of the existing portal technology and hosting services). The new portal will take advantage of improved technology for a simpler solution at reduced cost, while enabling Service BC to deliver public access to the full range of government services using one-stop shopping convenience, whether online, by telephone or in-person at a government office.

Protection of personal information is of primary importance to the Province. The Agreement incorporates rigorous privacy, confidentiality and security provisions. These provisions complement the privacy standards set by the Province's amendments to the *Freedom of Information and Protection of Privacy Act* as well as the recommendations of the Information and Privacy Commissioner in his October, 2004 report entitled *Privacy & the USA Patriot Act – Implications for British Columbia Public Sector Outsourcing*.[2]

The value of the Agreement between the Province and IBM Canada is approximately \$35 million[3]. In addition, efficiencies in service delivery and the establishment of new relationships with client ministries will result in the achievement of incremental financial benefits to both parties.

The privacy, security, technology, service and business process improvements through a combination of fixed price and transaction-based pricing, will ensure that the Province receives value for money throughout the term of the Agreement. As access to service and information is expanded and services are delivered more seamlessly and consistently, customers[4] will experience a more personalized environment in which to interact with government; enhancing their ability to make informed decisions about government information and services within an efficient and cost-effective service delivery environment.

---

[1] Clients include ministries and agencies across government which Service BC provides information and services on behalf of.
[2] Released on October 29, 2004 and can be viewed at http://www.oipcbc.org/
[3] It is anticipated that onboarding of new services will begin early in the contract term and will increase the contract value.
[4] Customers include the citizens and businesses that receive or access government information and services through Service BC.

BACKGROUND

It is becoming increasingly clear that government is lagging most industry sectors in terms of quality service delivery to citizens. In Canada, the analysis of the Institute for Citizen-Centred Service (through the "Citizens First" and "Taking Care of Business" research programs), among other organizations, has guided the discussion as to how and why government should invest in 'doing government differently' - specifically in the area of service delivery.

As research indicates, citizen expectations for seamless and high-quality service is increasing, while at the same time, technology continues to evolve to make improvements to service delivery possible (for example, being able to provide the same service across multiple channels), while protecting the security and privacy of personal information.

Service BC is BC's central government organization for delivering government information and services to citizens. Service BC's vision is of a province where consistent, seamless and innovative access to customer-focused government services and information is readily available to all. As such, it aims to provide service excellence, and continuously improving access to government information and services in BC.

Service BC was formally established in 2004, bringing together for the first time the in-person, telephone and online service channels of government as a first step towards organizing information services around the citizens and businesses of BC.

Service BC's in-person channel is comprised of a network of 59 offices throughout the Province and is responsible for the delivery of hundreds of services in 50 program areas on behalf of 43 government ministries and agencies.

Service BC's contact centre (telephone channel) has been outsourced to Robertson Telecom since its inception in 1991[5]. Service BC's contact centre services currently encompass inbound enquiry support both by telephone and e-mail; telephone access to the online Multiple Address Change Program; and referrals to various program areas across government. The services are available in multiple languages through the contact centre staff and the use of an interpretive service.

Service BC's online channel is designed to support the evolving needs of the Province in the delivery of electronic services. The portal was launched in 2003 and consists of four main functional areas:
- The external portal (www.gov.bc.ca);
- The internal portal (gww.gov.bc.ca); and
- Two portals developed for specific, internal-to-government requirements.[6]

Service BC recognizes the need to improve service delivery by ensuring that there is a solid infrastructure from which to begin to integrate services and make them more citizen-focused for example, organize services as they relate to a life-event, or to a specific demographic component of the population as described below).

---

[5] The contract was awarded to Robertson Rozenhart Inc. in 1991, and to Robertson Telecom in 1997.
[6] The BC Public Service Agency's *Inview* and the Ministry of Employment and Income Assistance's *Online Resource.*

In order to understand the challenges faced by Service BC today, consider the following scenario:

> A citizen contacts government by phone, looking for information regarding services for seniors. Specifically, the citizen has questions about personal tax information, income assistance, and support services for seniors and primary care-givers. In the current service delivery environment, each of the questions may be treated as separate cases, with the citizen being referred to multiple areas. This citizen may wish to have all of their questions answered in just one call, but finds it impossible.

This current-state scenario identifies the need to better serve clients and citizens by improving service delivery using a cost-effective and phased approach. The services that will be provided by IBM Canada in order to support this approach are outlined further on in this document.

Improving the state of service delivery in BC is a long-term initiative that will take time and commitment. However, the Province, and in particular Service BC, are committed to making these changes for service delivery across the government. The strength of customer service excellence and expertise that exists in Service BC provides an excellent foundation to build an integrated and coordinated service delivery model that, aligned with government's approach to citizen-centred service delivery[7], is consistent and accessible, enhancing citizens' ability to make informed decisions.

In the fall of 2004, the contract for the Enquiry BC contact centre with Robertson Telecom came up for renewal[8], and the Ministry decided that this was an opportunity to explore an alternative service delivery relationship that would allow for not only the management of the contact centre, but that would further the Ministry's efforts to provide consistency across the various service delivery channels.

In particular, the Province was looking for a company that would work with the Province to meet the following objectives:
- Integrate the telephone, online and in-person service channels to provide consistent information and services to its citizens;
- Develop an approach to service channel management in which touch-points, technology platforms, data access and business processes were developed around the needs of the citizen; and
- More effectively meet the needs of its clients and customers within a new integrated, cost-effective and efficient service delivery environment.

COMPETITIVE SELECTION PROCESS

In traditional procurement processes, government decides on a solution to a problem and then provides vendors with detailed specifications. Vendors must bid and build within those pre-determined parameters. This approach does not allow vendors to leverage the experience and ideas of government employees that currently deliver the services in order to develop or tailor creative alternatives.

---

[7] As outlined in the Strategic Plan Update 2006/07 – 2008/09.
[8] Initially scheduled for March 31st, 2005 but was extended to accommodate the JSP Process.

In approaching the Service BC procurement, the Ministry chose the Joint Solution Procurement approach ("JSP") as it was looking for a collaborative way to select an Alternative Service Delivery vendor to achieve an innovative and tailored solution, sustainable over a contract term of up to eight years.

The nature of the JSP process (as opposed to the traditional Request For Proposals method) is one that is highly collaborative, allowing for open dialogue between participants in order to facilitate the creation of a solution to the business challenge. It allows both the private sector and government employees the opportunity to jointly and collaboratively develop a solution that most effectively meets government's needs.

The procurement process for the Service BC project included four stages as follows:

STAGE I – JOINT SOLUTION REQUEST FOR PROPOSALS (JSRFP)

The JSRFP was posted on BC Bid in late October 2004 with the objective of establishing a long-term relationship with a private sector entity in order to provide cost-effective, multi-channel service delivery; reduce unit and overall service costs; and maintain a high level of customer satisfaction.

- The scope of the JSRFP included: the contact centre, additional services and future service channel integration initiatives. In their proposals, proponents needed to demonstrate their capacity, capability and commitment to the Service BC project.

- The JSRFP closed at the end of November. A thorough evaluation of the proposals was conducted by senior members of Service BC and the Ministry, resulting in three proponents being selected to proceed to the next phase of the Service BC project:
    - EDS Canada Inc.;
    - Telus Communications Inc. Consortium (Telus Communications Inc., Sierra Systems Group Inc., Themis Consulting Ltd.); and
    - Robertson Telecom Inc. Consortium (Robertson Telecom, IBM Canada Limited, Bell Canada).

STAGE II – JOINT SOLUTION DEFINITION

Initiated December 2004, this phase included a series of solutioning workshops between the three proponents and the Province, in which the proponents had access to information about Service BC's current business environment. Using this information, the proponents elaborated on their initial solutions in close collaboration with Ministry employees. All participants in this process were bound by confidentiality agreements.

- During the course of the workshops, the Province realized that there were advantages to accelerating the inclusion of application management services for the government portal in the scope of the JSRFP in order to further service channel integration. This met procurement guidelines as the JSRFP initially contemplated service channel integration opportunities.

- Due to the nature of the solution, the relationship between Robertson Telecom and IBM Canada was later changed such that IBM Canada replaced Robertson Telecom in their status as the lead of the Robertson Telecom Consortium.

- Final Presentations were held in late February, during which each proponent provided a synthesized solution to the Ministry's service delivery objectives.

STAGE III – EVALUATION

- The proponents' solutions were evaluated in late February 2005 using the following criteria: economic model and deal structure, governance and policy, business process and enabling technology, relationship and risk.

- The Robertson Telecom Consortium, lead by IBM Canada was selected as the successful proponent to proceed to the next phase of the Service BC project.

STAGE IV – DUE DILIGENCE AND CONTRACT NEGOTIATIONS

- This phase was initiated in April, 2005.

- Due diligence performed on IBM Canada included site visits, client reference checks and detailed analysis of their proposed solution. IBM Canada's experience and expertise was further verified through meetings and interviews between IBM Canada and the Province.

- Throughout contract negotiations the Province was supported by dedicated legal counsel, as well as experts in procurement, negotiations, technology and finance.

- Portal hosting and re-platform services were included in the negotiations with IBM Canada in May of 2005, in order to create an effective solution to service channel integration. The current portal technology was nearing the end of its lifecycle, and it made sense to build upon IBM Canada's solution for enhanced contact centre services with new technology. This met procurement guidelines as the JSRFP initially contemplated service channel integration opportunities.

- The parties negotiated one over-arching Agreement with separate statements of work (as schedules to the Agreement) for each service area and new services.

- The Agreement between the Ministry of Labour and Citizens' Services and IBM Canada was signed on June 29, 2006.

PROFILE OF IBM CANADA

IBM Canada Ltd. is a Canadian subsidiary of International Business Machines Corporation (IBM), a publicly traded company founded in 1911. IBM Canada is one of Canada's leading providers of advanced information technology products and services. The first IBM office opened in British Columbia in 1914. IBM Global Services was established in 1991 to help companies manage their IT operations and resources and ensure that their technology investments contribute to profitable growth.

IBM is one of the world's largest technology services and consulting providers, with 180,000 professionals in more than 160 countries helping clients integrate information technology with business value, from the business transformation and industry expertise of business consulting services, to hosting, infrastructure, technology design and training services. Leveraging scope and scale, IBM delivers integrated, flexible and resilient processes that enable clients to save money and transform their businesses to be more competitive.

IBM Canada was selected because of the overall strength of the solution proposed to the Province, and its capacity to meet and exceed the business needs of the Province for the next eight years.

IBM Canada will work with its subcontractors Robertson Telecom Inc. ("Robertson Telecom") to provide contact centre services, and ISM Information Systems Management Canada Corporation ("ISM Canada"), to provide portal hosting services under the Agreement. IBM Canada's supplier, Bell Canada, will provide technology for the contact centre.

THE FINAL AGREEMENT

This section outlines key aspects of the Agreement, including the protection of privacy of personal information and a description of in-scope services.

As outlined in Table 1, the final Agreement between the Province and IBM Canada is for an 8-year term (with a one-year extension option at the Province's discretion, exclusively for re-procurement) that will assist the Ministry in achieving its goals and objectives as outlined in Appendix A.

Table 1: Key Terms of the Agreement

Agreement Structure	▪ Over-arching Agreement with separate statements of work (as schedules to the Agreement) for each service area and new services.
Term	▪ Term of 8 years with an extension option available to the Province (for up to 12 months), exclusively for procurement purposes.
Pricing and Deal Structure	▪ The Agreement value in terms of service fees payable to IBM Canada is approximately $35.6 million over 8 years. ▪ Transaction-based pricing for contact centre services, with pricing floors and ceilings; subject to volume growth processes. ▪ Fixed-price portal services, and Service Delivery Improvement Projects ▪ Pricing structures are in place for increasing and decreasing volumes in the contact centre. ▪ New services will be priced based on the client's business requirements and business case. Pricing of new services will be specified in the applicable negotiated statements of work for such new services.
Gain Sharing and Royalties/Benefit Sharing	▪ Subject to Province approval, if IBM Canada signs a contract with a third party that makes use of certain Province intellectual property, the Province will share in the financial benefits. ▪ The Province shares in benefits resulting from economies of scale (increased transaction volumes resulting in reduced "unit cost" of services), and/or when customers are moved to the more cost effective channels.
Service Levels	▪ Service Level Agreements (SLA's) and Service Level Objectives (SLO's) have been established. ▪ IBM Canada is subject to financial consequences if specified

	SLAs are not achieved. ▪ In the event that IBM Canada continuously fails to meet SLAs, the Province has the right to terminate the Agreement or any statement of work affected by such continuous failure. ▪ Service levels will be monitored and evaluated on a monthly basis.
Termination Clauses	▪ The Agreement includes termination rights of the Province in a number of specific circumstances. A range of termination clauses have been negotiated to meet the needs of the Province and IBM Canada including: 　▪ For cause 　▪ For convenience 　▪ For no fault
Governance	▪ A Joint Executive Committee comprised of senior executives from the Ministry and IBM Canada will provide strategic direction and guidance, ensure the benefits of the Agreement are realized, and model and support a culture of change and relationship building to create a climate for success. ▪ A four-level, cascading governance model will be used: Level 1. Executive Sponsors; Level 2. A Joint Executive Committee; Level 3. A Service Integration Committee; Level 4. Projects and Ongoing Operations ▪ Members of Service BC and IBM Canada will work together to manage and monitor the Agreement.
Financial Controls	▪ Liability and indemnity provisions are in place. ▪ Transparency of costs exists through audit and investigation rights. ▪ There is a margin cap on IBM Canada's profit throughout the life of the deal.
Intellectual Property	▪ Applicable Province-owned Intellectual Property (IP) is owned by the Province with IBM Canada's right to use. ▪ Applicable IBM Canada-owned IP is owned by IBM Canada with the Province's right to use. ▪ IBM Canada will own new IP created in connection with the services, with the exception of certain identified categories of IP, which will be owned by the Province. ▪ Other than as set out above, ownership and use of new IP created under the Agreement will be negotiated by the parties.
Legal and Commercial Structure	▪ IBM Canada is a Canadian subsidiary of International Business Machines Corporation.
Subcontractors and Suppliers	▪ Robertson Telecom is a subcontractor to IBM Canada, providing contact centre service. ▪ ISM Canada is a subcontractor to IBM Canada, providing some portal services. ▪ Bell Canada is a supplier to IBM Canada, delivering technology for the contact centre.

Repatriation	▪ Upon expiration or termination of the Agreement, the Province has the option to either re-procure or repatriate the services.
Financial Terms	▪ IBM Canada will provide investment capital for new business processes and applications. ▪ Financial consequences will be in place on key service levels. ▪ IBM Canada will share in the financial benefits achieved through the Agreement and will recover its investment from base fees and from a share of the benefits.
Privacy, Security and Confidentiality	▪ The Agreement includes extensive provisions that complement the privacy standards as set forth by the *Freedom of Information and Protection of Privacy Act*. ▪ The Agreement includes termination rights and financial damages for IBM Canada's corporate disclosure of personal information in response to a request for such information under the *USA Patriot Act*.
Location	▪ All contact centre operations and technology will remain in BC. ▪ All portal operations and technology will be located in Canada, the majority of which will be located in BC. ▪ Contact Centre Services will be delivered from Vancouver. ▪ Re-platform project will be delivered from Vancouver. ▪ Transformation Services will be delivered from Victoria and Vancouver. ▪ Portal Hosting and Application Management Services will be delivered from Victoria.
Business Continuity	▪ Business continuity is addressed through a number of contractual commitments. IBM Canada is required to provide a detailed service recovery plan.
Audits	▪ The Agreement includes rights to perform audits, investigations and inspections using internal and external auditors and other professional advisors. ▪ Audits may cover any aspect of the Agreement, including privacy and security, general and financial controls, practices and procedures, and gross margins. ▪ Audit provisions also apply to IBM Canada's subcontractors.

OBJECTIVES OF THE AGREEMENT

The primary objectives of the contractual relationship are to:

- Provide service at the first point of contact with government;
- Offer customers choice in how they access government services, according to their needs and expectations;
- Facilitate growth of the services, and the extension of the services to the broader public sector;
- Enable the transformation of the delivery of services to the public with continuous improvement;

- Adopt a technology platform that can be leveraged by clients and the broader public sector;
- Provide the services in an efficient, cost effective, transparent and accountable manner;
- Build Service BC, to be a centre of expertise and excellence for service delivery to the public; and
- Protect the security and privacy of personal information.

SCOPE OF THE AGREEMENT

The scope of the Agreement includes:

- The management and operation of Service BC's contact centre, including the implementation and refresh of new technology;
- The management and operation of Service BC's portal environment (application management, maintenance and support, re-platform development (including the implementation and refresh of new technology), and hosting services for both the internal and external portals);
- Various transformation initiatives to improve service delivery (as outlined in the following section); and
- Onboarding of new services.

DESCRIPTION OF SERVICES

1. Contact centre

IBM Canada, in conjunction with their key subcontractor Robertson Telecom, will provide the facilities and technology, a project manager and fully trained employees, as currently employed today, to establish, operate and maintain the Service BC contact centre each weekday, except statutory holidays, from 7:30 am to 5:00 pm.

The services to be provided by IBM Canada to the Province under the terms of the Agreement include:

- Toll-free telephone referral and information services;
- E-mail referral and information services;
- Demand transfers to verified government phone numbers;
- Electronic forms completion for the Multiple Address Change Web form;
- Management of information in the database;
- Provision of service in English and other languages used by callers; and
- Planning, design, implementation and testing of the new technology.

The new technology, over time, will provide the core platform for the Service BC contact centre, using internet-protocol as the foundation for communication. The new technology has the following features:

- Interactive voice response so that callers can receive information and be routed to the appropriate destination by using either their touch-pad or through speech input;

- Automatic skills based routing, so that employees who are able to handle more than one type of call (or email, fax or web chat query), will receive those inquiries that fall within their pre-determined skill profile. Emails and faxes will be queued with calls, with calls having a higher priority;

- Computer telephony integration, which would allow a caller (such as someone with a specific and ongoing relationship with a certain area of government), to enter some information prior to speaking to an agent (for example, a phone number or some other unique identifier). This information would then appear with the call, to the contact centre agent; thus saving the customer from having to give that information again. There may also be a requirement for a call to be redirected to a specific program or ministry. In these situations, the customer and the information collected so far, would be transferred to program or ministry;

- A call back feature so that customers can enter their phone number and maintain the same place in the queue, or enter their number and time they would like the call to be returned; and

- Web chat. This feature would be used by customers who are (for example), filling out forms online. It would allow both the customer, and the contact centre agent (should it be required), to view the form at the same time.

These features will be available for use by various client ministries or agencies depending on their needs. This provides greater options for Service BC clients in how their customers receive services and information; thus making it easier for customers to interact with government.

2. Portal Services

The new portal services will be provided through upgrading to a simpler and less expensive solution that meets a broader set of stakeholder requirements. The improvements to the portal will provide the foundation for implementing citizen services horizontally across government, by enabling the integration of information and services across channels (telephone, online and in-person). The result will be information and services being provided based upon citizen requirements rather than on government structure. The improvements to the portal will provide the Province with:

- Proven portal technology;

- A technology solution that is less expensive to operate and maintain;

- A simpler, more robust and stable web environment;

- The operational and transitional risks of the portal being shifted to the private sector.

The improvements to the portal will increase government's ability to move more services and information online. Expanding both the depth and breadth of information and services will provide a more positive experience for citizens.

IBM Canada will provide the following portal hosting, application management support and re-platform services as part of this Agreement.

Portal Hosting Services

IBM Canada, in conjunction with their key subcontractor, ISM Canada, will provide all hardware required to support the portal infrastructure. The servers will be located in BC, in

a secure data centre. In providing portal services, IBM Canada will use a dedicated segment of the province's secure network. The services will be provided by properly trained and skilled employees. IBM Canada will support the infrastructure in accordance with the security and privacy obligations that accompany the Agreement. IBM Canada will provide the following portal hosting services:

- Public access to portal services while protecting government infrastructure and data in a secure environment;

- Internal access to government information and services in a secure, protected manner;

- A technical environment that is robust, secure and maintained up to date over the term of the Agreement; and

- Data centre services (processing operations, production control services, systems software management, hardware management, storage management services, asset management, network services, reporting, security, and service recovery).

Application Management Support Services

The application management support activities will be focused on the ongoing support of the enabling software components (Interwoven, WebSphere, UltraSeek, WebTrends) and custom development that enables the overall portal solution. IBM Canada will provide the following application management support services:

- Application support for the existing technology until it is replaced;

- Application management and administration;

- Application support and workload management;

- Emergency fixes; and

- Enhancements and project support.

Application management services also include application change and configuration management, application operations support, content management system repository administration, service request and problem management, documentation and other services.

Portal Re-Platform Services

The goal of the re-platform services is to migrate the Province's current portal environment to a new technology platform. Executed with the following phases, IBM Canada will provide the following services (in conjunction with the Service BC project team):

- Project startup that will include the necessary project startup activities;

- Solution outline that will include initial requirements and architecture definition;

- High-level design that includes the development of a robust architectural framework upon which to build the external and internal websites;

- Detailed design that includes the design of the websites planned for the current release (either external or internal);

- Build and migrate content that includes the implementation of the content management solution and the websites in scope for the current release;

- Deployment which includes user acceptance testing support, deployment of the current release and transition to the steady-state application maintenance team; and

- Project wrap-up includes any required project close activities (such as documentation, filing and ensuring all project deliverables have been met).

A knowledge transfer plan for Service BC staff will be produced early in the re-platform project, and knowledge transfer activities will occur during the development of both the external and internal sites.

This re-platform project approach enables a collaborative work environment between the Province and IBM Canada to ensure incorporation of early feedback and streamlines the deliverable acceptance process. Additional benefits of the new technology platform for the portal include:

- A reduction in operational costs;

- Changes to the existing content and functionality will be minimized and introduced only where agreed to by the Province, to support the migration;

- Enable Service BC to operate autonomously with regard to on-boarding new clients within the portal;

- Enable ministries and other portal user groups to add content to their site(s) autonomously from Service BC and from each other;

- Improved ability to reuse or repurpose content by streamlining the content repository and developing a consistent information architecture and taxonomy. Content will be structured so that the citizens of BC will be able to find information and access services without needing to know which ministry or department is responsible. This will facilitate ease of access to information by citizens and government clients, with little to no impact on information when lower level programs and departments move between ministries, or when ministries are combined, split, or their name is otherwise changed;

- Simplified, secure administration as well as the provision for content management, content administration and content entry to be delegated; and

- Easy integration with the search engine, web statistics, and the Province's implementation of the new authentication service.

3. SERVICE DELIVERY IMPROVEMENT SERVICES

IBM Canada is an innovative company with the expertise and capability to provide leading edge customer service capabilities for the citizens and businesses of British Columbia. Following the signing of the Agreement, Service BC will begin working with IBM Canada on various projects that will improve the way services are delivered. These initiatives include:

- A **Stakeholder Assessment** in order to identify key stakeholders and their needs in order to build critical support for change;

- A **Client Relationship Management Strategy** in order to thoroughly understand both current and potential future clients (including their needs and priorities) and identify the processes and activities necessary in order to guide the effective and efficient management of these relationships;

- A **Customer Needs Assessment and Segmentation** in order to identify the differences and similarities in Service BC's customers so that services can be organized and tailored to meet their specific needs;

- A **Performance Management Review and Strategy** aimed to review and assess improvements to Service BC's performance management framework; and

- A **Channel Strategy** in order to establish a framework from which to guide integration and optimization efforts within and across channels (online, telephone and in-person) over the next five years. Key components of this strategy include an information technology architecture and knowledge management strategy.

The following table (Table 2) identifies how the various initiatives will support the goals of Service BC.

Table 2: Service Delivery Initiatives in Support of Service BC's Goals

Improvement Services Year 1	Customer Focused Service Delivery	Integrated Service Channels	Delivering Client Satisfaction	Providing Efficient & Effective Service	Building a Performance Focused Workforce
Stakeholder Assessment	✓	✓	✓	✓	✓
Client Relationship Management Strategy	✓	✓	✓	✓	✓
Customer Needs Assessment and Segmentation	✓	✓	✓	✓	✓
Performance Management Review and Strategy	✓	✓	✓	✓	✓
Channel Strategy	✓	✓	✓	✓	✓

PROTECTION OF PERSONAL INFORMATION

The protection of privacy and personal information is of primary importance to the Province. The privacy provisions of the Agreement protect against any unauthorized use or disclosure of personal information, including attempts to access information by way of the *USA Patriot Act*. Under the Agreement, IBM Canada will also meet all necessary privacy measures as dictated by the *Freedom of Information and Protection of Privacy Act* – which is amongst the strongest legislation of its kind in Canada.

Specific privacy and security strategies that will be adopted under the Agreement include:

- Specific contractual measures to ensure the privacy of British Columbians' personal information;

- Specific technology and business process requirements to prevent unauthorized disclosure of personal information and to alert the Province of unusual or unauthorized releases of data; and

- Strategies to bind IBM Canada and its employees and its subcontractor's employees to government standards for privacy protection, and to restrict access to data.

A more detailed description of the privacy and security provisions of the contract is provided in Appendix B.

FINANCIAL SUMMARY

The eight–year value of the Agreement with IBM Canada, including technology refresh, service channel integration and the capacity and capability to meet increased demands as ministries move more services online, is $35.6 million (Table 3). When compared with the Ministry's business as usual costs under a status-quo scenario, this deal results in savings of $0.5 million. However, the current operating budget does not include any technology refresh, service channel integration, or the ability to meet increased demands as ministries move more services online. This total would be much higher than that delivered under this Agreement.

The Province has ensured that there will not be any excessive profits earned by IBM Canada as a result of the Agreement and will also ensure that it receives value for money throughout the term of the Agreement through a price based benchmark comparison with fees and service levels for substantially similar services.

Table 3: 8-Year Financial Summary

Service	Total Price
Total Agreement Costs	**$35.6 MILLION**
Service BC internal costs	$20.9 MILLION
Total Costs	**$56.5 MILLION**
Estimated Business-as-usual costs	$57.0 MILLION
Total Savings over Business-as-usual costs	**$0.5 MILLION**

ADDITIONAL BENEFITS

In addition to the savings, there are a number of additional benefits that will result from the Agreement with IBM Canada that are not easily quantifiable but nonetheless contribute to achieving the vision and objectives of the Agreement.

The Agreement provides a long-term relationship with an industry leader that includes state-of-the-art portal and telephone services, a portal technology refresh in year four of the Agreement, and initiatives to improve the way services are delivered. A summary of additional benefits of the Agreement include:

- A new technology infrastructure (portal and contact centre) that will provide the foundation to enable integration of all service delivery channels and allow for increased functionality for employees and customers;

- Improved tools and processes for all Service BC employees; enabling them to better serve customers;

- Portal technology will be refreshed in year four of the Agreement;

- The Province has opportunities for sharing the financial benefits if IBM Canada leverages its BC experience with a third party; and for benefit sharing where on-boarding or a material increase in transaction volumes results in reduced "unit costs" of services, and/or when customers are moved to more effective channels;

- Leveraging of private sector expertise to develop a framework for integration and improvement efforts within and across Service BC's service channels through five transformational projects that will be initiated within the first year of the Agreement;

- Support for government's strategic direction by expanding public access to government through innovative and integrated service delivery initiatives; and

- No disruption in contact centre services during transition to the new service provider (existing contact centre service provider, Robertson Telecom is a subcontractor to IBM Canada).

INVESTMENT AND RETURN

Both parties will invest in the development of new technology and business processes to improve the way services are delivered. IBM Canada will be compensated under the Agreement through the payment of base fees and by sharing, with Service BC, the incremental financial benefits as realized through efficiencies and through various on-boarding initiatives. If no incremental financial benefits are generated over the term of the Agreement, IBM Canada will receive only the base fee payments, which are slightly lower than the government's current costs of providing the services.

The business case for services committed under the Agreement identifies savings over the term. Future opportunities are likely given the government's focus on service delivery. Pricing is either committed in volume bands or is fixed. New services will be priced based on the client's business requirements and business case. Pricing of new services will be specified in the applicable negotiated statements of work for such new services. Onboarding of new services will create efficiencies in service delivery by leveraging corporate assets (portal, contact centre and counters). These efficiencies may be translated into financial benefits for Service BC, IBM Canada and clients.

Payments to IBM Canada will come from two sources. The first source is the current cost of delivering the services, approximately $4.5 million a year, which will constitute base fee payments. The second source of funding is a share of the future incremental financial benefits, such as those from onboarding, which will allow IBM Canada to recover and earn an improved return on their investment.

ACCOUNTING TREATMENT

All Ministry financial reporting associated with this project will be consistent with the direction set by the Office of the Comptroller General. IBM Canada's accounting will be in accordance with generally accepted accounting principles.

GOVERNANCE AND CONTRACT MONITORING

Service BC and IBM Canada have adopted a joint governance structure that reflects best practices and acknowledges the importance of effective relationship management to the success of the Agreement.

Studies of both successful and unsuccessful long-term business deals, of the kind that the Ministry and IBM Canada are entering into, identify that the most important success factor is the ability of the two organizations to build and maintain effective working relationships between key personnel at multiple levels of each organization – from the day-to-day working levels, to key executive positions.

Both Service BC and IBM Canada are fully committed to building and maintaining a positive and effective working relationship and will work together to manage and monitor the Agreement, as well as to ensure the overall effectiveness of the governance relationship throughout the term of the Agreement.

A four-level, cascading governance model will be used:

Level 1. Executive Sponsors will provide oversight to the relationship between the parties and the overall deal performance.

Level 2. A **Joint Executive Committee** will provide executive sponsorship, strategic direction and overall guidance in accordance with the Agreement.

Level 3. A **Service Integration Committee** will provide advisory support and guidance to the Joint Executive Committee in respect of the relationship between the Parties to ensure operational success.

Level 4. Projects and Ongoing Operations will be responsible for day-to-day operational oversight of the relationship, service delivery and the deal.

Members of Service BC and IBM Canada will work together to manage and monitor the contract, as well as to ensure the overall effectiveness of the governance relationship throughout the contract term. This team will monitor and report issues through the project's governance structure to ensure that the projected outcomes and benefits are achieved.

DISPUTE RESOLUTION

The governance structure is also designed to facilitate internal dispute resolution as early as possible, and at the lowest level possible.

Informal dispute resolution culminates in mandatory mediation. If disputes cannot be resolved through an informal process, the dispute shall be determined by arbitration in accordance with the *Commercial Arbitration Act*.

An expedited dispute resolution process is available under certain circumstances, if required.

RISK ALLOCATION BETWEEN THE PARTIES

The deal structure of the Agreement is based on the principle that risk be assumed by the party best able to manage it. In several areas, the Ministry has retained some measure of risk as they are in the best position to control this risk. Provisions have been built into the Agreement to mitigate the Province's exposure in shared risk areas. The types of risk transferred to IBM Canada include:

- Operational risks associated with the transfer and implementation of portal services;
- Ongoing operating risks of both the portal and the contact centre (including as it relates to the new technology);
- Financial risk due to fixed-fee implementation pricing;
- Failure to deliver services at specified performance levels;
- Consequences for breaches of data security and privacy;
- Service recovery (in the event of service disruption); and

- Business failure of an IBM Canada subcontractor or supplier.

In order to ensure that the projected outcomes are achieved and that performance standards are maintained, the Agreement will be managed by employees with experience managing long-term contracts, soliciting expert legal and procurement assistance as required. The Agreement also includes service level agreements and consequences for non-performance.

See Appendix C for detailed risk allocation.

PERFORMANCE MANAGEMENT

The Agreement includes both service level objectives and service level agreements for various components of the contact centre and portal services. Service levels will be monitored and evaluated on a monthly basis in order to continuously measure performance. Service level objectives are the targets for the delivery of certain services that have no consequences associated with them.

Service level agreements (SLAs) are the service delivery requirements established for certain services. SLAs have been established for the response time for enquiries at the contact centre (for example, 85 percent of calls will be answered within 20 seconds during operating hours, on a monthly average); for the currency of information used by contact centre staff (the database currency will not exceed 100 days); and for the availability and response time of the portal, including the search function (for example, application availability is a minimum of 99.7 percent during business hours).

IBM Canada must report on its performance during the previous month against the service level agreements, and will be monitored to identify service level achievements and any failures. IBM Canada will also develop and implement problem alert, escalation and management procedures including root cause analysis, problem correction and process improvements. Service levels will be reviewed annually.

The portal re-platform project is a fixed price statement of work. The Province will actively participate in all stages of this project and has an approval role for all of IBM Canada's deliverables. If IBM Canada does not successfully complete the project, IBM will not be able to perform the ongoing portal operations. This will have financial impacts on IBM Canada including direct loss of revenue, a reduction in IBM Canada's gross margin and potential lost future opportunities.

A service level credit approach has been developed to ensure IBM Canada performs to agreed-upon service levels. IBM Canada shall be entitled to earn banked credits for each SLA where IBM Canada meets or exceeds that same SLA in a period of six consecutive months.

Service level credits may be earned by the Province in the event of IBM Canada's failure to meet SLAs.   If SLAs are not achieved, then IBM Canada would be subject to financial consequences by calculating service level credits on the basis of a complex formula.   The amount of the financial consequences would be calculated on an SLA by SLA basis so that financial consequences may be more closely aligned with the potential losses that may be suffered by the Province. To ensure that the financial consequences remain aligned with

the risk, the Province may (twice in each year), adjust the formula such that the financial consequences are appropriately focused on the appropriate SLAs.

This formula, and SLA by SLA approach, transfers to IBM Canada the risk of delivering the required service levels. In the event that IBM Canada chronically fails to meet SLAs, the Province has the right to terminate the Agreement or the statement of work affected by such failure.

AUDIT AND INVESTIGATION

The Province has extensive rights to perform audits, inspections and investigations as considered necessary. This includes the use of internal or external auditors or other professional advisors and may cover aspects of the Agreement such as privacy and security processes, general controls, practices and procedures, financial/business matters and gross margins.

Audit provisions also apply to IBM Canada's subcontractors.

APPENDIX A: MINISTRY STRATEGIC GOALS, OBJECTIVES, STRATEGIES AND RESULTS

Citizens' Services Mission

Citizens' Services will transform public services to make them cost-effective, accessible and responsive to the needs of citizens and business.

Five Great Goals

Citizens' Services Goals	Citizens' Services Objectives	Performance Measures
1. Positive service experiences for customers and clients.	1.1 Increased customer and client satisfaction with: • service availability (accessible, timely, reliable, choice); • service usability (accurate, flexible, ease of use, meets needs); and • service delivery (courteous, competent, responsive, dependable, fair).	— Rate of customer (end-user) satisfaction • Service BC (public) • Shared Services BC (public sector staff) (index) — Average client satisfaction with shared services (public sector decision-makers) (index).
2. Demonstrated leadership in transforming public sector service delivery to add value and be cost-effective.	2.1 Predictable and transparent shared services costs. 2.2 Value for money maximized. 2.3 Innovations and process improvements to support government-wide co-ordination and efficiency in the delivery of services.	— Average per minute cost for service delivery (Service BC) — IT investment in end-user productivity compared to industry's most effective and efficient IT service delivery organizations — Payroll costs per employee paid per year — Central procurement operational costs as a percentage of value of total goods and services purchased.
3. A robust technology infrastructure providing for secure information management and the emerging needs of customers and clients.	3.1 Ensure secure information to build and maintain public confidence. 3.2 Strengthen information and technology infrastructure processes and practices across government.	— Percentage of communities with access to broadband facilities — Measure being developed to assess the state of government's information security.
4. A corporate culture that supports a customer-focused, results-oriented, innovative and knowledgeable team.	4.1 The ministry's leadership and culture provide the foundation for high performance.	— Rating of employee satisfaction.

APPENDIX B: PRIVACY AND SECURITY PROVISIONS

Technical Provisions
- IBM Canada is required to have policies and procedures that outline privacy and security measures and disclosure requirements (a detailed privacy management plan will be created by IBM Canada and is referenced in the Agreement).
- Strong technology security measures will be implemented, including firewalls, encryption and physical security.
- Special restrictions on data access and oversight/supervision requirements apply to employees of a US affiliate of IBM Canada (if any).
- Risk assessments will be required by IBM Canada prior to any material change in procedure, applications or technology relating to or in connection with personal information (Province to perform privacy impact assessments regarding the same).

Custody of and Access to Personal Information
- Under the Agreement, only authorized personnel are permitted to have access to personal information (authorized personnel are subject to criminal reference checks).
- Storage of and access to personal information, including remote access, will be only in Canada, unless approved by the Province.
- Personal information within the custody of IBM Canada will be segregated from the information of other customers of IBM Canada.
- Strict records management and retention policies will be implemented.
- Province remains the owner of the personal information.

Provisions Regarding Subcontractors and Employees
- Province approval required to remove, replace, or to include additional subcontractors whose employees have access to personal information.
- All IBM Canada employees and subcontractor employees who have access to personal information to sign personnel agreements with their employer that include:
    - A statement that the employee is aware that IBM Canada is obligated to ensure the privacy, confidentiality, and security of the personal information in accordance with the Agreement and the Freedom of Information and Protection of Privacy Act (FOIPPA);
    - An acknowledgement of policies that expressly prohibit any disclosure of personal information pursuant to a foreign demand for disclosure from a foreign court, an agency of a foreign state or another authority outside of Canada;
    - The requirement for the employee to notify a designated individual within IBM Canada in the event that he/she becomes aware of any potential disclosure (with a corresponding obligation on IBM Canada to notify the Province);
    - A statement that the employee is aware that under FOIPPA there are certain specific obligations placed upon the employee, in particular an obligation to provide notice to the Province of any foreign demand for disclosure of personal information;

- o A statement that the employee is aware of the Province hotline to facilitate the reporting of incidents relating to foreign demands for disclosure and that FOIPPA provides for "whistle blower" protection for those that report such incidents;
- IBM Canada must have a designated individual or individuals responsible for monitoring compliance and enforcing privacy measures; and
- Province right to appoint Province monitor to observe the performance of the services at the premises of IBM Canada in certain circumstances.

Termination Rights and Damages
- Agreement includes termination rights in the event of disclosure or use of personal information contrary to the provisions of the Agreement.
- Agreement includes termination right and financial damages for disclosure of personal information in response to a USA Patriot Act request.

APPENDIX C: RISK ALLOCATION

A. Material Risks Transferred to the Private Sector

Risk Category & Description	Mitigation (Contractual Provisions)
Business Risk	
Service disruption for current and future services	▪ Contact centre – the service provider immediately prior to signing the Agreement (Robertson Telecom) will be a subcontractor to IBM Canada. ▪ Portal – existing support resources retained until transition to new portal is complete.
Privacy or security breach	▪ The privacy and security provisions of the Agreement address unauthorized use or disclosure of personal information, including disclosure under the *USA Patriot Act*. ▪ Disclosure of personal information contrary to the provisions of the Agreement result in Province termination rights. ▪ Audit provisions exist for privacy and security.
IBM Canada responsible for subcontractors	▪ IBM Canada is responsible for all services delivered under the Agreement by subcontractors.
Labour Disruption	▪ Unionized subcontractors are required to have a Labour Disruption Plan.
Removal of key subcontractors	▪ Province has right to request removal of a key subcontractor due to willful misconduct, fraud or other malfeasance of the key subcontractor.
Service Quality	
Transition Risk	▪ Contact centre – the service provider immediately prior to signing the Agreement (Robertson Telecom) will be a subcontractor to IBM Canada.
Service Level Performance	▪ Service level performance incentives and remedies apply. ▪ On-going measurement and reporting requirements apply. ▪ On-going failure to meet SLAs results in the Province's right to terminate the Agreement or a statement of work affected by such failure.
Flexibility and responsiveness	▪ Service level performance incentives and credits apply. ▪ On-going measurement and reporting requirements apply. ▪ The Agreement, including the relationship and performance will be monitored on a regular basis through governance process and reporting requirements.

Risk Category & Description	Mitigation (Contractual Provisions)
Technical Obsolescence	▪ New technology for the portal and contact centre. ▪ Portal technology solution includes a refresh in year four of the Agreement.

B. Shared Material Risks

Risk Category & Description	Mitigation (Contractual Provisions)
Business Risk	
IBM Canada does not achieve service levels	▪ Financial consequences for missed SLAs. ▪ On-going failure to meet SLAs results in the Province's right to terminate the Agreement or a statement of work affected by such failure.
Insufficient future business opportunities	▪ The business case for services committed under the Agreement is sound; future business opportunities are likely given government's focus on integrated service delivery.
Business continuity and disaster recovery	▪ IBM Canada is responsible for maintaining, testing and, if applicable, implementing a services recovery plan in the event of a service disruption. ▪ Upon the occurrence of a force majeure event, if IBM Canada is unable to restore the services, IBM Canada is required to obtain alternate services from a qualified provider, at its own cost.
Economic Risk	
Initiative may not deliver the expected cost savings and/or benefits	▪ For services, pricing is either committed in bands or is fixed; future business will be undertaken on the basis of a business case.
Inflation	▪ Both parties are tied to a mutually agreed to independent index.
Cost Overruns	▪ Financial performance regularly monitored through governance structure and reporting requirements. ▪ Provisions exist to protect against excessive profit. ▪ Detailed project plans have been developed in the various Statements of Work to monitor progress. ▪ Both parties bear their own costs associated with delays associated with portal services.
Termination by Province for convenience	▪ Province may terminate the Agreement or any statement of work under the Agreement, at any time upon notice to IBM Canada and the payment of early termination fees.
Major/sustained volume growth or shrinkage driven by government activity or policy change.	▪ Annual joint planning to take place as part of governance process. ▪ Pricing schedule for the contact centre allows for volume changes.

Risk Category & Description	Mitigation (Contractual Provisions)
	▪ Fixed-price portal services and Service Delivery Improvement Projects.
Sponsorship/Management	
Risk of change in support for project within government or IBM Canada	▪ Agreement will be monitored on a regular basis through governance process and reporting requirements. ▪ Termination provisions apply (for cause, for convenience and for no-fault). ▪ Annual joint planning to take place as part of governance process.
Project Complexity	
Risks associated with balancing multiple goals, numerous concurrent activities, new business processes, and technology implementation.	▪ Agreement will be monitored on a regular basis through governance process and reporting requirements. ▪ Annual joint planning to take place as part of governance process.

C. MATERIAL RISKS RETAINED BY THE PROVINCE

Risk Category & Description	Mitigation (Contractual Provisions)
Competing government procurement opportunities	▪ Service BC has responsibility for the services as outlined in the Agreement, and the services as described in the JSRFP, subject to the implementation of such services as a Statement of Work or in accordance with the Change Order Process.
Different skill set required to manage long term contract	▪ Service BC has experience with long term contracts ▪ Expert assistance (e.g. legal, financial, relationship management) will continue to be sought. ▪ The Province actively participates at all stages, and has an approval role for all of IBM Canada's deliverables.
Loss or reduction in control of operations	▪ Key directives and service delivery changes will be addressed through the governance process. ▪ Core Province responsibilities have been retained (e.g. authentication standards). ▪ Contact centre services are already outsourced to the private sector (Robertson Telecom). ▪ ISM Canada experience in portal hosting has been well demonstrated through references.
Failure or poor performance of IBM Canada and/or its subcontractors	▪ IBM Canada demonstrated commitment through the JSP process, including evaluation, due diligence and contract negotiations. ▪ The Agreement contains termination rights of the Province for cause (including material breach) and for Province's convenience.
Critical skills or knowledge may transfer to service provider	▪ There will be no job loss and no transfer of Province employees, with the services, to IBM Canada.

Risk Category & Description	Mitigation (Contractual Provisions)
	▪ Core Province responsibilities have been retained (e.g. authentication standards). ▪ Contact centre services are already outsourced to the private sector (Robertson Telecom). ▪ ISM Canada experience in portal hosting has been well demonstrated through references.
Sale or change in control of IBM Canada	▪ The sale of all or substantially all of the assets or undertaking of IBM Canada or the change in the direct corporate control of IBM Canada (where IBM Canada is no longer under the control of the IBM group of companies) without the consent of the Province, results in the Province's right to terminate the Agreement for cause.
Change in government law or policy requiring changes in scope, systems or business processes	▪ Annual joint planning to take place as part of governance process. ▪ Any changes will be addressed through the Change Order Process.
Quality Management	
Risk that the Ministry will be unable to monitor and measure deliverables	▪ Members of Service BC and IBM Canada will work together to manage and monitor the Agreement. ▪ All deliverables are clearly defined. ▪ The Province actively participates at all stages, and has an approval role for all of IBM Canada's deliverables.
Province Employees	▪ A communication plan has been developed for the announcement of the Agreement; communications will remain ongoing. ▪ There will be no job loss and no transfer of Province employees with the services under the Agreement.

APPENDIX D: APPENDIX TO PROJECT SUMMARY

This document is intended to provide consolidated summary information about the Agreement with respect to service levels, services fees and consequences in the event of any missed service levels. Detailed information about other parts of the Agreement is contained within the Project Summary.

The Agreement between the Province and IBM Canada is valued at approximately $35 million over 8 years. The services provided under the agreement are for a new and improved service delivery environment in which Service BC can provide consistent, seamless and innovative access to government information and services through whichever channel customers may choose to access services. These service channels include:

- Online (via the "portal");
- Telephone (via the contact centre previously referred to as "Enquiry BC"); and
- In-person (via the province-wide network of offices referred to as the Service BC "Government Agents").

The new integrated services solution developed by IBM Canada will deliver Enterprise Portal and Enquiry BC contact centre services; providing the foundation to achieve government's commitment to improving the way services are delivered to the public. Over time, services will be more accessible, user friendly, and responsive to individuals and communities.

This is a fixed price contract for Enterprise Portal services (including service levels) and technology, and fixed price for established bands of call volumes for Enquiry BC contact centre services (including service levels) and technology. IBM will be dependant on certain Province activities and infrastructure in IBM's delivery of services. For those items for which IBM is responsible, IBM is committed to meet industry leading service levels and delivering services on a technology platform that meets the Provinces' objectives. IBM is obligated to deliver a solution that meets all service commitments as detailed below and is subject to financial consequences in the event of not meeting these commitments. IBM Canada will provide services, not simply technology, to the Province and is committed to ensuring that the solution meets and exceeds specific service levels. Should technology issues result in service levels not being met IBM Canada is committed and contractually obligated to resolve the issues. In addition, the Agreement specifies a technology refresh during the term of the Agreement to ensure currency. The main service levels which apply for the hours of operation specified under the Agreement are as follows:

Service Level	Description	Metric	Comments
Portal Infrastructure and applications			
Servers	IBM Canada is required to ensure that the infrastructure necessary for the portal and associated components is operational and available.	99.50% of the time	Minimum service level. Consistent with industry standards.
Portal	The external and internal portal applications are required to meet response time targets. These targets are measured using test transactions.	99.50% of the time	Test pages must display within one second
Search engine	The search engine is required to meet response time targets. These targets are measured using a test transaction.	99.50% of the time	Minimum service level. Test transaction must complete under one second. Exceeds current industry standards.
Content Management System	The content management system is required to meet response time targets. These targets are measured using a test transaction.	99.00%of the time	Minimum service level. Test transaction must complete under one second. Exceeds current industry standards.
Web analytics	Analytic tools will be available when they are needed.	99.50%of the time	Minimum service level. Current industry standards.
Call Centre			
Speed of response	Calls to the Service BC Contact Centre are answered promptly.	85% of calls answered within 20 seconds	Meets or exceeds current service levels being provided today.
Percentage of calls answered	Nearly all calls will be answered before going to voice mail.	95%	Meets or exceeds current service levels being provided today.
Percentage of e-mails answered	Most e-mails received before 2:00 pm will be processed by end of business day, on a monthly average.	75%	Ensures citizens receive consistent, high-quality service in the channel of their choice.
Information is current	Government contact information will be kept current and will be reviewed regularly.	Within 100 day intervals	Provides complete and up-to-date information to citizens.

The main financial aspects of the Agreement are as follows:

Component	Fixed Cost	Variable Cost	Comments
Portal re-platform, hosting and application management	$21.8 M	N/A	Fixed project cost for successful implementation of refreshed portal platform. Fixed cost for infrastructure support over the 8 year term. Similar to, but less expensive than, existing services. Includes a periodic technology refresh. Advanced application support services over the 8 year term.
Call Centre	$12.72 M	N/A	Transaction-based model within fee bands established using a transaction profile and annual volume ceilings and floors.
Transformation Projects	1.09 M	N/A	Several projects designed to improve delivery of integrated services to citizens.

The Agreement defines specific consequences should IBM not meet agreed upon service levels. These include:

Scenario	Consequence	Financial Consequence
IBM does not successfully complete the portal migration project.	Termination of the contract with no continuing obligations to IBM.	Province may terminate the Agreement or specific Statements of Work (SOW's)
IBM misses a service level.	Province earns credits of up to 5% of monthly fees payable.	To a maximum of $20,000/month
IBM misses multiple service levels consistently.	Chronic failure occurs if greater than 30% of service levels are missed in any 3 of six consecutive months.	Province may terminate the Agreement or specific Statements of Work (SOW's).