

**Workplace Support Services
Alliance Management Office Report – December 2007
Report Against Project Goals**

1. Initiative Overview

Government is transforming the delivery of non-core public services to a more cost-effective and efficient model through the use of contractual relationships with the private sector. Alternative service delivery is a key method for achieving government's vision of focusing on core government services and delivering value to the people of the Province of British Columbia, rather than delivering non-core public services.

In December 2004, the Government of British Columbia and IBM Canada Limited entered into an alternative service delivery agreement to deliver government's workstation services and manage the related technology infrastructure. The objective of the agreement is to deliver efficient, effective services that meet or exceed the standards of quality expected by ministries and public servants. These services are delivered to approximately 30,000 employees in 22 government ministries, agencies and Crown corporations. Workplace Technology Services, Shared Services BC, as part of the Ministry of Labour and Citizens' Services, manages the contract on behalf of the Province.

IBM Canada Limited was selected, through a competitive procurement process, as the service provider of workplace support and related technology services. IBM Canada Limited was the successful proponent because it demonstrated the ability to deliver and achieve the following outsourcing objectives:

- transfer of financial and operational risk from government to the service provider;
- transfer of important but non-core government services to the service provider with government retaining a few key employees focusing on strategy, technical architecture, business management and service management;
- realization of benefits through the relationship, including cost reduction and investment by the service provider;
- provision of similar services to other public sector organizations, leveraging the benefits realized from the cost reductions and investment made by the service provider; and
- growth and expansion of the services to other public sector organizations in the province.

Over the longer term, the strategic vision includes enhanced workplace support service capabilities and improved service delivery not only to government employees, but also to the broader public sector employees around the province.

This report reflects the events of the third year of the relationship, in which:

- transition from the Province to IBM Canada Limited has been completed, including relocation and consolidation of many services to a new service delivery centre;
- operations and technology infrastructure have been stabilized post-transition;
- service commitments are in place and being reported on and refined; and
- groundwork has been established to begin positioning the business into a marketable entity, allowing for additional public sector organizations to leverage the agreement, which could result in further savings to the Province.

The agreement between the Province and IBM Canada Limited is worth approximately \$300 million (this cost includes hardware purchases, such as desktops, laptops and related workstation products) over a ten-year period. Targeted financial benefits are \$80 million over the ten-year period, with savings commencing in the third year of the agreement.

2. Status Update

YEAR THREE HIGHLIGHTS

- ***Cost savings to the Province of B.C.***

Savings in the third year of the agreement reached an additional 7% annually on IBM Canada Limited service costs from last year. In year three of this contract this equates to approximately 17% savings compared to IBM Canada Limited service costs in 2004.

- ***Service Level Reporting and Service Commitments***

All service level agreements (SLAs) have been met each month with the exception of three single SLAs missed in three separate months. Two of the occurrences were in January 2007, and February 2007, while transition activities were being finalized. The third SLA, missed in November 2007, was related to a network outage that impacted Workplace Support Services service desk. All remaining to-be-determined service levels were successfully negotiated in 2007, and were reported on in 2008.

- ***Green Initiatives***

The Ministry has been working with IBM Canada Limited to implement technology solutions, called “green” technology, to reduce greenhouse gas emissions. The Ministry continues to examine options for reducing desktop energy consumption through power management tools and equipment upgrades. A brief summary of the “green” technology successes to-date:

1. Replacement of old monitors, known as Cathode Ray Tube (CRT) monitors, with more energy-efficient monitors, known as Liquid Crystal Display (LCD). This has resulted in decreased energy consumption and

reduced environmental impact. A typical LCD monitor uses less electricity than a CRT monitor. Utilizing LCD monitors rather than CRT monitors, resulted in estimated savings of 195 kWh per year, per workstation or 2,700 tonnes of CO₂ per year.

2. The Ministry worked with IBM Canada Limited to enable personal computers to be centrally shut off when not in use, and “awakened” to receive security updates. Well ahead of schedule, this change began in spring 2008. The Ministry’s “central management” ability is unique in Canadian federal and provincial jurisdictions, and will give assurance that personal computers are not only secure and well managed, but also consuming as little power as possible.
3. Environmentally friendly monitors and laptops have met industry standards for power conservation translating into purchasing technology that is energy efficient.
4. Workstation refresh (described below) resulted in implementing an operating system which has the screen dimming feature. The refresh resulted in 47 kWh of savings potential of each workstation per year during the day, and 94 kWh in the evening.
5. Energy improvements introduced in 2007 have been made with the standardization to the latest laptops that are Energy Star 4.0 compliant.
6. Desktop Terminal Services enables clients to promote flexible work options by allowing employees with the technology to work from home and reduce travel.
7. All workstation disposals are conducted by Asset Investment Recovery, a unit within the Ministry of Labour and Citizens’ Services. Asset Investment Recovery determines the appropriate disposal method and ensures disposals are in an environmentally friendly manner.

• ***Reboot Public Sector Information Technology 2007 Awards***

Workplace Technology Services, Shared Services BC, and IBM Canada Limited completed the largest provincial government workstation refresh in Canada – replacing 32,800 workstations in over 1,500 sites across the Province in 22 months, two months ahead of schedule. This workstation refresh resulted in increased reliability and availability of the technology that supports public servants who provide services to more than four million citizens.

The primary outcomes of refresh was the avoidance of both direct and indirect costs and security risks associated with virus attacks, and providing the opportunity for the Province and ministries to track service levels, and articulate business success and value associated with workstations and related services. The project increased security levels, therefore reducing the likelihood of government experiencing consequences of virus attacks, such as downtime of government employees, and decreased availability and accessibility of government services.

The project was complex, requiring involvement of multiple vendors, consideration of numerous business needs of 21 unique client (ministry) groups; and streamlining business applications whose operating systems were vastly diverse, old and presented high risk to government information technology (IT) operations.

- ***Planning for Upgrade 2.0 Project (U2.0)***

Workplace Technology Services, Shared Services BC, and IBM Canada Limited, with the assistance of various ministries, planned for the next refresh of workstations, U2.0. The difference between the first upgrade and the second represents a commitment to a collaborative approach that will enable next generation services, including enhanced workstation functionality, “green” initiatives, and future enhancements to applications and operating systems. A phased approach has been developed that allows for client engagement and planning activities to be completed in advance of the actual service/workstation deployment effort.

- ***Multifunction Devices***

A multifunction device (MFD) service was created in a joint collaboration effort between IBM Canada Limited, Workplace Technology Services and Ricoh Canada Inc. as part of strategic expansion of the original workstation service vision. Over 800 MFDs were deployed as part of this service in 2007.

- ***Business Transformation***

The first phase of the Business Transformation Initiative was completed in April 2007. This initial phase focussed on the financial stabilization of the Workplace Technology Services organization in support of the repatriation of the consolidated budget for Workplace Technology Services and the move to a \$1,000 vote model. Key outcomes of this phase included a new 2007/08 Service Catalogue, an on-line ordering tool for services and a data warehouse to support ministry consumption, and billing information. Phase two planning is currently underway, and the scope is expected to include financial stabilization activities along with activities to improve, combine and integrate service delivery into consistent service packages.

IBM Canada Limited provided both application integration support and enhanced service desk resources to manage the transition commencing April 2007.

- ***Service Volume Adjustment***

In 2007, the detailed review conducted jointly between Workplace Technology Services and IBM Canada Limited on service volumes through the Baseline Assessment and Review Project concluded that, in the aggregate, the contract

predicted with reasonable accuracy, user volumes (variance of less than 1% of annual cost). The team recognized changes to specific services since 2004 and made amendments to baselines, coming into effect June 2007.

- ***Spring Freshet 2007***

In spring 2007, B.C. expected widespread flooding. To protect government buildings and services, the Ministry of Labour and Citizens' Services workstation delivery team worked with many delivery teams, client ministries, contractors, and emergency organizations to arrange protection, relocation or evacuation. Facilities were secured in time through good planning, inter-organizational cooperation, and fast action.

Spring Freshet 2007 was submitted for the Premier's Award in Service Excellence.

3. Challenges:

a. Commitment to Continual Improvement and Quality Improvement

Services entered steady state in 2007. Efforts are now focused on advancing the business maturity model in order to continue to provide increased value to customers.

Mitigation Strategy: Workplace Technology Services and IBM Canada Limited initiated a review of services, developing and executing the Continuous Improvement Program to improve service and identify data gaps and the Quality Improvement Program focused on service delivery excellence.

b. Complexity of Delivering Services

Workplace Technology Services and IBM Canada Limited delivered workstation services to more than 35,000 workstations for more than 1,500 offices, affecting 22 unique clients, with distinct needs.

Mitigation Strategy: Workplace Technology Services and IBM Canada Limited worked together to address the complexity of delivering services through establishing the following:

- Standardization of all processes required to deliver workstation support services, such as those for providing service desk services, security patching and software installation;
- Participation in ministry engagement forums, which provide the ability for ministries to provide input, feedback and guidance as part of major initiatives and continuous improvement efforts;
- Collaboration of information technology expertise to create mutually beneficial outcomes; and

- Expansion of service options to meet customer needs while maintaining the benefits of standardization.

4. Contract Objectives

The alternative service delivery relationship, as defined in the Master Services Agreement signed on December 3, 2004, includes a number of objectives which are summarized as follows:

- Ongoing reduction of annual cost for a workstation over the 2004/05 fiscal year cost;
- Implementation of rapid advancement of standardization of technology and service levels within regions;
- A high rate of continual improvement in service levels to achieve “Best-in-Class” standards, as soon as possible;
- Establishment and maintenance of positive and productive working relationships with Workplace Technology Services and other ministries; and
- Enable a rapid transition to the service delivery model.

Collectively, the Province and IBM Canada Limited have demonstrated substantial progress towards the identified objectives (Appendix A). Efforts in support of the business objectives will be ongoing over the duration of the alternative service delivery relationship.

Appendix A

CONTRACT OBJECTIVES: Reporting on Results

The alternative service delivery relationship with IBM Canada Limited is guided by the objectives as set out in the Master Services Agreement signed December 3, 2004.

Objective 1

Ongoing reduction of annual workstation cost from the 2004/05 fiscal year cost.

Activities (undertaken to achieve objective)	Results (Year-To-Date)
<ul style="list-style-type: none"> • Full responsibility for workstations undertaken by IBM Canada Limited. 	<ul style="list-style-type: none"> • IBM Canada Limited delivers the services to the Province for a fixed annual fee per workstation. The fee continues to decrease over the 10-year term of the contract. • An additional 7 % average annual savings on IBM Canada Limited service costs from last year. In year three of this contract, that is approximately 17% savings from 2004 on IBM Canada Limited service costs.

Objective 2

Implement rapid advancement of standardization of equipment and regionalized service levels.

Activities (undertaken to achieve objective)	Results (Year-To-Date)
<ul style="list-style-type: none"> • Initiated refresh of workstation technologies. • Expanded original workstation service vision to include multifunction devices. 	<ul style="list-style-type: none"> • IBM Canada Limited and the Province began planning the workstation upgrade to Vista and Office 2007 products in 2007, to prepare for new technologies and citizen-centred services. The refresh will be rolled out in 2008, demonstrating the Province's commitment to technical currency reflected in IBM Canada Limited decreasing service costs and Province efficiencies. • Developed and offered a multifunction device service to ministries in a joint collaboration between IBM Canada Limited, Workplace Technology Services and Ricoh Canada Inc. Recent accomplishments for the MFD service include: <ol style="list-style-type: none"> 1. Complete rollout of 180 MFDs for the

	<p>Ministry of Employment and Income Assistance.</p> <ol style="list-style-type: none"> 2. Output optimization rollout initiated with Ministry of Education and Advanced Education. 3. Installation of 837 MFDs in the B.C. Government ministries. 4. Added wheelchair-accessible and tabletop MFD models in response to client requirements.
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Objective 3

A high rate of continual improvement in service levels to achieve Best-in-Class standards as soon as possible.

Activities (undertaken to achieve objective)	Results (Year-To-Date)
<ul style="list-style-type: none"> • Adopt a single manufacturer approach to all standard workstation products. • Use common processes and tools. • Promote integration with Province’s information technologies (like network, servers, etc). • Report service levels monthly across government and quarterly for ministries. 	<ul style="list-style-type: none"> • Over 98% of provincial workstations are single brand that use a common image. • The Province and IBM Canada Limited have integrated the service request and service delivery systems to create a seamless end-to-end service for clients. • Reported service levels have consistently met or exceeded targets and many far exceed contracted service levels.

Objective 4

Establish and maintain positive and productive working relationships with Workplace Technology Services and the ministries.

Activities (undertaken to achieve objective)	Results (Year-To-Date)
<ul style="list-style-type: none"> • Establish a strong and healthy relationship between Workplace Technology Services and IBM Canada Limited. • Engage ministries through ministry forums. • Continue to monitor ministry service satisfaction. 	<ul style="list-style-type: none"> • Weekly meetings with Workplace Technology Services and IBM Executive were held to monitor progress and jointly plan future activities. • Numerous ministry forums were formed and used as a tool for ministry engagement. Forums included: Technical Services Advisory Council Operational Issue Forum, Workstation Standards Council, Software Standards Working Group. • Workplace Technology Services expanded the number of Workplace Technology Service’s ministry service representatives to work directly with ministries on their workstation service related issues.

Objective 5

Enable a rapid transition to the service delivery model.

Activities (undertaken to achieve objective)	Results (Year-To-Date)
<ul style="list-style-type: none"> • Move ministries to a single service support model. • Transfer existing workstation software patches and update software infrastructure to the Service Provider. 	<ul style="list-style-type: none"> • ID administration for all but three ministries has moved to the Shared Service model. Discussions are underway to have these last ministries join the shared services model. • All refreshed workstations use the Shared Service central workstation software deployment, patch and update infrastructure. • All refreshed workstations use the Shared Service central antivirus service.