Workstation Services
Alliance Management Office Report – December 2008
Report against Project Goals

1. **Initiative Overview**

In December 2004, the Government of British Columbia and IBM Canada Limited entered into an alternative service delivery agreement for provision of government's workstation services and management of 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 government. These services are delivered to more than 30,000 employees in 20 government ministries, as well as several public agencies and Crown corporations. Workplace Technology Services, Shared Services BC, as part of the Ministry of Citizens' Services, manages the contract on behalf of the Province.

IBM Canada Limited was selected, through a competitive procurement process, as the successful proponent because it demonstrated the ability to deliver and achieve the following 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 to all clients around the province.

This report reflects the events of the fourth year of the agreement, in which:
- Workstation Power Management was deployed, resulting in energy and financial savings to government;
- The service model was further matured; and
- The second technology refresh was initiated.

The agreement between the Province and IBM Canada Limited is valued at 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 valued at approximately $80 million over the ten-year period.

2. **Status Update**

    <u>YEAR FOUR HIGHLIGHTS</u>

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

    Savings in the fourth year of the agreement totalled $4.3 million, comprised of $0.5 million, as a result of agreed-upon IBM fee reductions and $3.8 million saved through desktop, laptop and related workstation hardware price discounts included in the agreement's structure. These savings are consistent with the forecasted financial benefits expected over the 10-year contract term.

    - *Service Commitments and Improvements*

    Service Commitments – Well established service delivery commitments are defined, measured and reported monthly. Prior to the contract, service commitments were not measured or reported consistently. In total there are 33 service commitments reported each month.

    All service level agreements (SLAs) have been met each month with the exception of nine single SLAs missed in separate months. In summary, IBM Canada Limited met or exceeded these service levels 97.7% of the time in the fourth year.

    Customer Satisfaction – Customer satisfaction with workstation services and related support is tracked formally, through surveys, and informally, through client forums. Formally, the automated customer satisfaction survey, which is distributed to a random sample of government employees who contacted the service desk for assistance regarding workstation services, is tracked on a monthly basis. Average satisfaction for the fourth year is 90.8%.

    Recognition – In 2008, Workplace Technology Services (WTS), Shared Services BC was shortlisted for the Premier's Award within the "Partnership" category, for its achievements associated with the contract with IBM Canada Limited for workstation support services. The Premier's Award recognized that, since the signing of the agreement in 2004, the contract has not only achieved financial savings, but has also delivered the largest government workstation refresh in Canada, and created a secure environment and innovative platform. In addition, environmental improvements were achieved with the implementation of green technologies, such as workstation power management.

    Previous recognition includes:
    - 2007 Reboot BC Public Sector Information Technology Award for Business Value and Results Through Technology; and
    - Nominated for an Institute of Public Administration of Canada (IPAC) award for Innovative Management.

- *Green Initiatives*

Workstation Power Management – WTS, Shared Services BC, has leveraged the agreement with IBM Canada Limited to implement workstation power management. This solution, which was implemented in September 2008, allows the Province to remotely manage the energy consumption of all government workstations, while also maintaining a secure computing environment. Estimated energy savings achieved by this initiative are approximately 10 million kilowatt hours (kWh), and 220 tonnes of greenhouse gas emissions annually– the equivalent of heating approximately 900 homes. As a result, government will save nearly $600,000 in energy costs each year.

British Columbia is the first and only Canadian federal or provincial public sector jurisdiction to implement this kind of initiative. The BC Hydro Power Smart Product Incentive Program recognized this contribution to reducing energy costs by providing a one-time rebate to the Province of BC of approximately $190,000.

- ***Workstation Service Enhancements***

Providing Modern Tools: Approximately every three years government updates all computers.   Regular workstation upgrades provide modern tools to support the work and innovation of public servants in the delivery of government services. The Government of British Columbia is committed to a regular workstation refresh cycle, aligned with the useful life of the workstation and industry best practices. The first refresh was completed in 2006 and took 22 months to complete. As a result of the first refresh, some of the key benefits were realized:
  - Increased protection from virus attacks, and avoided costs, direct and indirect, which stem from a virus attack. For example, there are approximately 9 million intrusion attempts on government systems each month, and standardization of computers has resulted in no major virus attacks since the first refresh completion.
  - Enhanced public service productivity due to replacement of old and high risk equipment, and updated applications.
  - Standardization provided consistency across the ministries, which enhances work product sharing between the ministries, as well as business partners and citizens, at a level never possible before, as well as portability of training as staff move from one ministry to another.
  - Enhanced the maturity of the service by stabilizing service levels and increasing the ability to measure direct service outcomes for ministries in a consistent and repeatable method.
  - Undertook a centrally managed provincial-wide purchase of workstations, which resulted in significant savings. Allowed the Province to take advantage of aggregation of demand.

In 2007, government undertook many planning activities and deployment for the second computer refresh, called Upgrade 2.0. The Upgrade 2.0 Project (U2.0) is a

corporate, government-wide initiative targeted to complete deployment by December 2009.

As part of U2.0, WTS, Shared Services BC, was able to leverage the standard platform established in the first refresh in order to provide each employee with new tools which promote collaboration, and also support the green initiative in various ways, such as by allowing clients to reduce their travel. In addition, this standard platform allows these tools to be deployed to all 30,000 employees within an 18 month period. British Columbia is the only provincial jurisdiction with the standardized infrastructure required to provide this new suite of tools to all employees, supporting the public service in transforming the way it works in providing services to citizens.

- *Multifunction Devices*

Optimizing Efficiency: The Workplace Support Services Master Service Agreement was leveraged in providing a comprehensive multifunction device service. Multifunction devices (MFDs) allow faxing, printing, scanning, and photocopying to be combined in one device. The savings that can be associated with such devices are demonstrated in one ministry's output optimization project. As part of this project, the ministry was able to reduce their number of devices and increase the efficiency of those it retained resulting in the savings outlined below:

- number of total devices was reduced by 48%
- annual operating costs reduced by 28%
- annual power consumption (in kWh) was reduced by 75%
- floor space required was reduced by 47%

- *Commitment to Quality Improvement*

Quality Improvement Program: In 2008, quality improvement activities focused on advancing service maturity. Several proactive indicators for quality and service excellence were examined and, as a result, the Quality Improvement Program (QuIP) was initiated. Some key improvements associated with this program include:

- Process improvements increasing the overall quality of services
- Improvements to the virtual help desk, which allows government employees to more easily access resources and assistance through an online interface, and;
- More detailed customer satisfaction reporting to allow management of individual service areas.

3. **Challenges:**

Introducing New Technology
Through the second workstation refresh, Upgrade 2.0, new technology tools are being introduced to all government employees. While these tools have collaboration benefits and support the green agenda, the project requires a comprehensive change management approach, as with any large project.

Mitigation Strategy:
Upgrade 2.0, government's second organization-wide refresh, is providing new technology to government's more than 30,000 employees. These employees have diverse technology capabilities; therefore, a multi-faceted approach is required.

In order to address these diverse abilities, a phased user readiness approach to deployment of the tools was developed in consultation with key stakeholders. This approach involved several strategies, most notably, the creation of an "Early Adopters" program. This program allowed a select group of employees, representing the diverse needs and backgrounds across government, to have an opportunity to use new "demo" workstations in their daily work. These users were then able to provide input and insight to inform refinement and enhancement of the final package to be deployed across government. Additionally, these users were empowered to act as "champions" within their own organizations to assist their peers in acclimatizing to the new tools and operating system.

This user readiness strategy is now promoted as a best practice prototype by Microsoft for other corporate clients deploying Vista and Office 2007. By taking this innovative approach, government was able to realize both financial and efficiency savings. This can be attributed to the associated early opportunities to refine training strategies, facilitate knowledge sharing among peers, and identify other opportunities for improvements prior to full deployment. The knowledge acquired through this process can also be applied to future refresh activities.

Leveraging the Contract to Provide Enhancements or New Services to Government
As government's business drivers have evolved, WTS, Shared Services BC, has been able to leverage this contract to support them. While leveraging the contract provides benefit to government overall, it does involve additional costs associated with delivery of these new or enhanced services that were not anticipated in 2004.

As an example, WTS, Shared Services BC, leveraged the agreement with IBM Canada Limited to implement workstation power management in order to attain energy savings for the Province. This technical solution allows the Province to remotely manage the energy consumption of all government workstations, while also maintaining a secure workstation environment. While the solution provides excellent energy and financial savings to government overall, it does incur an additional cost.

Mitigation Strategy:

While leveraging the contract does result in additional costs, it also provides an opportunity to address government's business drivers that would otherwise be unavailable. Government will continue to realize savings through the agreement with IBM Canada Limited; however, it will also continue to leverage the contract when an opportunity is identified. Each opportunity is, and will continue to be, evaluated through a cost/benefit analysis to ensure that leveraging the contract makes good business sense for the Province.

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, Shared Services BC, 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)
• Realized negotiated savings.	• 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. • Additional savings in the fourth year of the agreement totalled $0.5 million, as a result of agreed-upon IBM Canada Limited fee reductions. In addition, $3.8 million was saved through desktop, laptop and related workstation hardware price discounts included in the agreement's structure.

Objective 2
Implement rapid advancement of standardization of equipment and regionalized service levels.

Activities (undertaken to achieve objective)	Results (Year-To-Date)
• Initiated second upgrade of workstation technologies. • Expanded original workstation service to include multifunction devices.	• The Province and IBM Canada Limited began deploying new technology in 2008 through the second workstation refresh. The refresh is targeted to be complete in December 2009. • The standardized platform implemented as part of the first refresh allowed for rapid deployment of advanced communication and collaboration tools across government. • In response to client requirements, the number of multifunction devices deployed increased to approximately 1,700.

Objective 3

A high rate of continual improvement in service levels to achieve Best-in-Class standards. Efforts now focus on advancing the service maturity model to continue to provide increased value to customers.

Activities (undertaken to achieve objective)	Results (Year-To-Date)
• Report service levels monthly across government and quarterly for ministries. • Continually improve processes and tools.	• Reported service levels continue to meet or exceed targets. • Ministries, Workplace Technology Services, and IBM Canada Limited reviewed project services processes and templates. This provided ministries with the ability to pre-determine project costs and submit business requirements using 'smart' templates.

Objective 4

Establish and maintain positive and productive working relationships between ministries, Workplace Technology Services, and IBM.

Activities (undertaken to achieve objective)	Results (Year-To-Date)
• Engage ministries through client forums. • Continue to monitor ministry service satisfaction.	• Weekly meetings with Workplace Technology Services and IBM Canada Limited Executive to monitor progress and jointly plan future activities continued. • Ongoing ministry forums include: Technical Services Advisory Council Operational Issue Forum, Workstation Standards Council, Software Standards Working Group, Desktop Roadmap Advisory Board, Upgrade 2.0 Leads. • Ad hoc groups with representatives from Workplace Technology Services, IBM Canada Limited and client ministries were formed to plan and implement service improvements. • In 2008, quality improvement activities focused on advancing the service maturity model. Several proactive indicators for quality and service excellence were examined and, as

	a result, the Quality Improvement Program (QuIP) was initiated. Improvements included process improvements, enhancements to the virtual help desk, and the development of more detailed customer satisfaction reporting.
	• The automated customer satisfaction survey is tracked on a monthly basis. This survey helps to track satisfaction of employees within the ministries regarding the service they receive.

Objective 5

Enable a rapid transition to the service delivery model.

Activities (undertaken to achieve objective)	Results (Year-To-Date)
• Move ministries to a single service support model.	• Transition to the new service delivery model is complete, with the exception of ID administration in three ministries. Transition to the Shared Services model by these remaining ministries is currently underway.