SUBJECT: Contract to Award the Provision of an Electronic Document Records Management System (FCS06030) / (PED06102) (City Wide)

RECOMMENDATION:

a) That RFP C12-14-05 for Provision of Professional Services Required to Implement an Electronic Document Records Management System (EDRMS) be awarded to Eidenai Innovations Inc.; and,

b) That the General Manager of Finance and Corporate Services be authorized to enter into an agreement with Eidenai Innovations Inc. to supply the EDRMS solution as outlined in RFP C12-14-05.

Joseph L. Rinaldo
General Manager
Finance and Corporate Services

Lee Ann Coveyduck
General Manager
Planning and Economic Development Department
EXECUTIVE SUMMARY:

The amalgamation of the former municipalities highlighted the service limitations of localized paper and microfilm-based record-keeping systems inherited by the merged City of Hamilton. The limited ability of City employees to effectively search and retrieve City documentation, often held in different locations and facilities, has impacted severely the speed and quality of service provided to the public across many departments. It has also created inefficiencies for City staff that frequently are required to travel from one location to another simply to view stored documents.

To remediate these service and efficiency problems, the City is proposing the implementation of an Electronic Document Records Management System (EDRMS), for use at an enterprise level to improve customer service while reducing staff effort associated with creating, filing, retrieving, archiving and copying of City documents and records. The EDRMS will also help reduce errors related to document versioning; make document handling more efficient by automating certain departmental business processes; reduce information silos across the Corporation; and provide quick access to documents regardless of geographic location. Building and Licensing, Clerk’s, and Accounts Payable have been selected as the Phase 1 implementation group for this Project as areas of City government experiencing high levels of document management. A post-Phase 1 review will be undertaken from which recommendations will be made outlining required next steps to deploy the solution across the Corporation.

Funding was set aside to provide for electronic document and record storage allowing for computer based remote access, with electronic search and retrieval functionality. The objective for deploying an EDRMS is to enhance levels of customer service and increase overall operational efficiencies relating to document storage and retrieval by establishing strict standards around the classification of City documents and by establishing an enterprise records retention schedule. An EDRMS will also reduce staff time required to store, retrieve and manage City documents, and reduce the physical storage requirements of a paper-based records management system.

The Project has undergone the following required preliminary work since its initiation:

- Budget direction (Motion #59-11, December 19, 2000) to implement an electronic document storage and retrieval system;
- EDRMS Corporate Needs Analysis completed August 2003 with recommendations to proceed with an EDRMS with a budget of $1.6 million;
- The Corporate File Classification System Plan and Records Retention Schedule draft completed August 2003 as a mandatory preliminary stage before the deployment of an EDRMS;
• Business Case, including cost, benefits, and risk analysis, completed March 2004.

RFP C12-14-05 (for Provision of Professional Services Required to Implement an Electronic Document Records Management System) was issued on October 7, 2005 and closed on November 3, 2005. Submissions from the 5 respondents were assessed and reviewed and a short-list of 2 Vendors was created. The short-listed Vendors made presentations to the evaluation team based on criteria outlined in the RFP. The evaluation team used the 2 step Purchasing approach and selected Eidenai Innovations Inc. to move to the pricing phase.

Eidenai Innovations Inc. proposed a Hummingbird Inc. EDRMS solution. Hummingbird is recognized as a global solutions leader for all levels of government. Hummingbird solutions have been deployed in 14 Canadian municipalities including the Cities of Toronto, Vancouver, the Regional Municipality of Waterloo, and the Regional Municipality of York. Hummingbird has also been deployed to support the Ontario Legislative Assembly, the Justice Information and Information Technology Cluster of the Province of Ontario, and the Government of Canada.

Hummingbird technology has been built to be integrated with existing City of Hamilton web Portal Technology (myhamilton.ca) and all Microsoft Desktop Applications used by the City of Hamilton.

The EDRMS solution will be implemented in phases, with the initial phase involving:
• Building and Licensing Division of Planning and Economic Development;
• Accounts Payable Division of Corporate Services, and
• Clerk’s Division of Corporate Services.

Funds of $1,152,500 from Capital Account 2110157003 will be directed towards the purchase of:
• Software Licences;
• Servers;
• Bulk Scanners;
• Implementation costs including training of 145 users; and
• Service Level Agreements covering maintenance costs for Years 2 and 3.

Project implementation is scheduled to begin in the second quarter of 2006 and conclude in the first quarter of 2007.

Following the implementation of the initial phase a review and analysis will be undertaken and recommendations will be brought forward with a plan to expand the EDRMS across the Corporation. Likely areas for Phase 2 deployment include expansion within Planning and Economic Development, and other high-document creation areas of the Corporation based on sustainable business cases. Follow-up reports will be presented at regular intervals throughout the project including an end-off-Project report on the level of success and realized benefits and alignment with the City’s priorities.
The expected benefit to the City from the EDRMS Project will be:

- **Building and Licensing** - improved customer service due to quicker record classification, filing, and retrieval by all staff (from different locations where City services are offered). Also the added ability to search and retrieve based on differing criteria, reduced need for file storage, automated security, backup and file retention, while enabling a more secure environment that is better suited to eGovernment initiatives.
- **Clerks** – EDRMS will increase efficiencies due to re-engineered work flow and storage, working directly with the Corporate File Classification and Records Retention Schedule to easily identify retention periods and storage needs of each document created, and improve document access security.
- **Accounts Payable** – The transfer of accounts payable invoices from microfiche to electronic format will allow authorized staff to retrieve and view the documents on-line from any location (reducing travel and microfiche costs), integrate the electronic document into Peoplesoft, and potentially streamline the workflow process.

**BACKGROUND:**

The roughly 4,000 knowledge workers in the City of Hamilton will be positively impacted by this initiative. The present situation limits staffs’ ability to search and retrieve information often held in remote locations which impacts severely the speed and quality of service the City provides to the public, and to internal staff. Recognizing that amalgamation would magnify service issues surrounding paper-based document management, funding was allocated to provide for City documents to be maintained in electronic format based on an approved corporate indexing structure (a File Classification System), allowing for remote access, robust search and retrieval, while providing greater efficiencies in customer service.

The main objective of developing an EDRMS is to improve customer service while reducing redundant staff effort associated with archiving, filing, retrieving, copying and timely disposal of paper and microfiche records and documents. The proposed EDRMS would be developed and implemented in Building and Licensing, City Clerks, and Accounts Payable in Phase 1. Success with this phase of the project may allow the EDRMS solution to expand to other areas of the Corporation.

Recognizing the need to update the current microfiche/paper based document management system, the Transition Board approved funding based on conceptual estimates, on December 19, 2000, Motion #59-11, to proceed with investigating the technological needs of developing an Electronic Document Records Management System (EDRMS).

RFP# C12-6-01 encompassing a Corporate Needs Analysis was issued by the City on August 31, 2001 and closed on Friday, September 14th 2001. The report delivered on August 13 2003 recommended that the City adopt an enterprise EDRMS but as a preliminary step, recommended the creation of a sustainable Corporate File Plan and
Records Retention schedule. The Report also recommended a phased rollout of the EDRMS within high document-usage areas (Building and Licensing, City Clerks, and Accounts Payable) included in Phase 1. The Report further recommended Project Implementation for a corporate-wide rollout after satisfactory results were achieved from the Phase 1 deployment.

RFP# C12-14-05 (for Provision of Professional Services Required to Implement an Electronic Document Records Management System) was issued on October 7, 2005 and closed on November 3 2005. This report recommends awarding Eidenai Innovations Inc. the contract to implement a Hummingbird Inc. Enterprise 6.0 document and record management, workflow and imaging solution within Building and Licensing, City Clerks, and Accounts Payable.

Eidenai Innovations Inc. will take responsibility for technical deployment of the Hummingbird EDRMS solution and provide all services relating to implementation, support during implementation, conversion of existing documents, and training of the 145 users.

**ANALYSIS/RATIONALE:**

Stage 1 of the evaluation process concluded on December 15, 2005 and involved a review and scoring of the paper-based responses from the 5 Vendors who submitted proposals. Three vendors were eliminated in Stage 1. Stage 1a of the evaluation process concluded on January 16, 2006 and involved 2 Vendor presentations and interviews. One Vendor did not meet the requirements of the Project and Eidenai Innovations was selected to move forward into Stage 2.

The evaluation team used the 2 stage process where only Vendors meeting requirements proceed to Stage 2 where the lowest price solution is selected. Eidenai Innovations Inc. was the only bid qualified to progress to the pricing stage. The Eidenai Innovations Inc. solution provides excellent functionality and is within the project budget.

An EDRMS is the foundation for helping the City “to enhance citizen and employee access to information and services.” An EDRMS will also help the City realize some of its stated objectives that directly relate to the issue of access to information.

The new Corporate Retention By Law, which will be incorporated into the EDRMS implementation, is to be based on the Corporate File Plan and Records Retention Schedule, requiring City compliance with document handling legislation, a standard set of filing categories, accurate and speedy retrieval of documents and records, and timely destruction of same. The EDRMS will enable all these features to be automated in a cost-effective and efficient manner.

**ALTERNATIVES FOR CONSIDERATION:**

In order to provide an integrated level of customer service across the City of Hamilton, it would be necessary to create complete sets of City documents for each of the Municipal Service Centre locations. Appropriate and timely updates and re-filing procedures
would need to be established in order to maintain a reasonably current set of documents at each location. Secure and fire proof storage areas for files and microfilm would be required at each of the Municipal Service Centres, along with version control to prevent document redundancy, access controls to ensure security, and of course disposal procedures.

This alternative would require additional staff and hardware to produce, distribute, file, retrieve, re-file and ultimately dispose of the multiple file sets, while providing a reduced level and realistically out of date level of service. This approach is impractical and prohibitively expensive in comparison with an enterprise-wide EDRMS solution. This option is not recommended.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

**Financial:**
Cost for the Project will be $1,152,500, and will be taken from the existing capital funds established specifically for this project. These costs, over a 3-year period include:
- Software licensing costs including Service Level Agreement and maintenance support over 3 years
- Hardware costs for Servers and Bulk Scanners to be leased over 3 years
- All implementation Costs including training of 145 users, and full Vendor support during implementation

**Staffing:**
The Steering Committee is comprised of staff from the areas impacted by the Phase 1 deployment and includes: the Director of ITS as Chair and Executive Sponsor; the Director of Financial Services; the City Clerk; the Director of Building and Licensing. Also included, as required, were the team leads from the 3 areas considered for the Phase 1 deployment.

The mandate of the Steering Committee was to steer and verify the RFP process and review and approve recommendations from the Evaluation Team. Staff resources have been assigned from ITS, Planning and Economic Development, Clerk’s and Accounts Payable for the Project Implementation phase.

**Legal:**
Legal Services will be engaged to assist in establishing a Contract with the Vendor.

**POLICIES AFFECTING PROPOSAL:**
There are no policies affected by the recommendation of this Project.

**RELEVANT CONSULTATION:**
Staff from City of Hamilton Clerks, Financial Services, Long Range Planning, Public Works, Information Technology Services, and Building and Licensing, were included in the evaluation team.
Staff also consulted with other municipalities (the Regional Municipality of Waterloo and the Regional Municipality of York) that have already implemented an EDRMS solution, to learn from their experiences.

**CITY STRATEGIC COMMITMENT:**

Completion of this Project will strategically place Hamilton at the forefront of electronic document management among Canadian Municipalities, allowing for quicker and more reliable response to information queries from citizens and staff, assist in streamlining business processes in the areas impacted by EDRMS, assist in encouraging economic development in Hamilton, while providing a best of breed solution.

The implementation of this Project will work towards:

- A City of Growth and Opportunity – attracting business and economic development through easy and speedy access in Building/ Licensing
- A Great City in Which to Live – quality services that residents can rely on through Building/Licensing and Clerks
- A Healthy Safe and Green City – reducing waste – through managing City documents through electronic means rather than paper
- A City Where People Come First – to communicate clearly and effectively with the public, provide full information – through speedy and remote information access
- A City That Spends Wisely and Invests Strategically – best value – increase the efficiency of our city government – best practices – smart amalgamation - in a manner consistent with a commitment to maintaining service levels and seeking best value – through speedy and remote information access

By evaluating the “**Triple Bottom Line**”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

**Community Well-Being is enhanced.** ☑ Yes ☐ No
Through restored and improved levels of service and accessibility, enhanced management and disposal of documents.

**Environmental Well-Being is enhanced.** ☑ Yes ☐ No
Through reduced dependency and use of paper based documentation that often requires travel in order to view them.

**Economic Well-Being is enhanced.** ☑ Yes ☐ No
Through restored and improved levels of service to the public/potential businesses via easy and speedy access, enhanced management and disposal of documents.

**Does the option you are recommending create value across all three bottom lines?**

☐ Yes ☐ No
Do the options you are recommending make Hamilton a City of choice for high performance public servants?  
☑ Yes  ☐ No
Through using up-to-date technology solutions that enable staff to provide excellent customer service in an effective and efficient manner.