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supported by IT

Ontario's Halton Region makes serious IT investments

by Ralph Blauel

As one of Canada's fastest growing communities, Halton Region supports its citizens through a strong commitment to its strategic goals: managed growth, economic prosperity, services to people, and effective administration. Every day our employees deliver a diverse portfolio of regional programs and services to our citizens – from public works to

public health. To ensure fiscal accountability, efficiency and transparency to taxpayers, employees are always cognizant of ensuring operations and processes are as efficient as possible.

That's why Halton Region invests in technology. Like other public sector organizations, Halton

faces a variety of pressures ranging from regulatory compliance to providing innovative services at low cost to our citizens. It is critical that we optimize resources to simultaneously manage these issues and increase operational excellence, provide higher accountability more transparently and, ultimately, demonstrate expanded return on investment.

Readying for growth with ERP

Back in 1995 Halton's IT team took a hard look at the municipality's technology platform and decided it was the right time to begin streamlining operations to mitigate the incremental cost of growth. We had a number of requirements. First, we wanted to implement an enterprise resource planning (ERP) system so we could improve our financial, human capital and operational processes. Secondly, only three of our 20 full-time IT employees had financial system skills, so we needed a solution that was easy to use and required little support.

After an open competitive RFP process, it quickly became clear that SAP's ERP solution was best suited to help us meet our current and future operational needs. This first municipal implementation in North America was completed on-time and on-budget and marked the beginning of our 14-year relationship with SAP. With an ERP system in place, authorized employees can readily use analytics, financials, human resources, procurement, plant, fleet and operations services across the organization, which increases productivity and improves cost control.

More than 467,200 people currently live in Halton Region, Burlington, Halton Hills, Milton and Oakville. To support our anticipated growth and achieve economic prosperity in line with Ontario's *Places to Grow Act*, our population must grow by 68 percent over the next 25 years. SAP offers us stable, transparent and robust controls, helping us maintain our AAA credit rating over the last 18 years. That, in turn, reduces the cost of capital for building our

municipal infrastructure and helps us keep taxes down for our citizens.

Halton Region's investment in an ERP system benefits other organizations as well. In 1998, Halton Police Services, the City of Burlington, and Halton Community Housing Corporation (HCHC) began using Halton's SAP investment as well. By hosting their financial systems on our ERP, they didn't have to acquire all of their own hardware, software or consulting services to create and support their own ERP systems. Instead, they use Halton Region's IT and ERP expertise, with the City of Burlington, HCHC and Halton Region sharing the costs. The best news, though, is that it has saved the taxpayer \$2 million in implementation costs – another way we can demonstrate accountability to our constituents.

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Rolling out the fleet

By 1998, Halton Region was maintaining a large fleet of police, ambulance, field trucks and related vehicles. Unfortunately, timely data for fleet performance was difficult to obtain from our existing processes. As the fleet size grew, our outdated legacy systems just couldn't keep up. Our clerks and mechanics had to work longer hours just to keep up with the tedious, paper-intensive tasks, resulting in increased costs and some very tired employees. Without consolidated asset and maintenance data systems, managers couldn't be sure they were working with current and reliable information. Information was often outdated or duplicated, and historical data for decision making was difficult to access and collate.

After evaluating fleet-specific point solutions, we implemented fleet management functionality from SAP. It went live at the fleet's two garages

in early 1999, giving us much-needed real-time vehicle information that could be integrated with existing finance, supply chain, and HR processes – avoiding the need for costly point-solution interfaces. The fleet management system also met our future integration needs for bar code and data collection, mobile devices, and enterprise portal access over the Internet.

Automated work orders have now replaced manual processes. The increased efficiency of the automated system has allowed us to increase our annual work order volume from 5,400 to 9,000 in just a few years.

Authorized users requesting vehicle information now have it at their fingertips in an instant. Mechanic “wrench on bolt time” has increased up to 10 percent, minimizing non-productive activities such as searching for vehicle and part information.

Our fleet has doubled in size since 1998, but we have only had to hire three additional employees to meet the growth. That is more efficient use of our taxpayer’s dollars. The application’s reliability and scalability translates into trouble-free performance so we only require one in-house SAP business analyst, and ongoing IT support has been reduced to 15 percent of analyst time.

Halton Region’s director of Asset Management, summed up the benefits like this: “Where the rubber meets the road is in our ability to provide safe and properly working vehicles to the municipalities we serve. And we are. The SAP functionality for fleet management is helping us meet that mission every day.”

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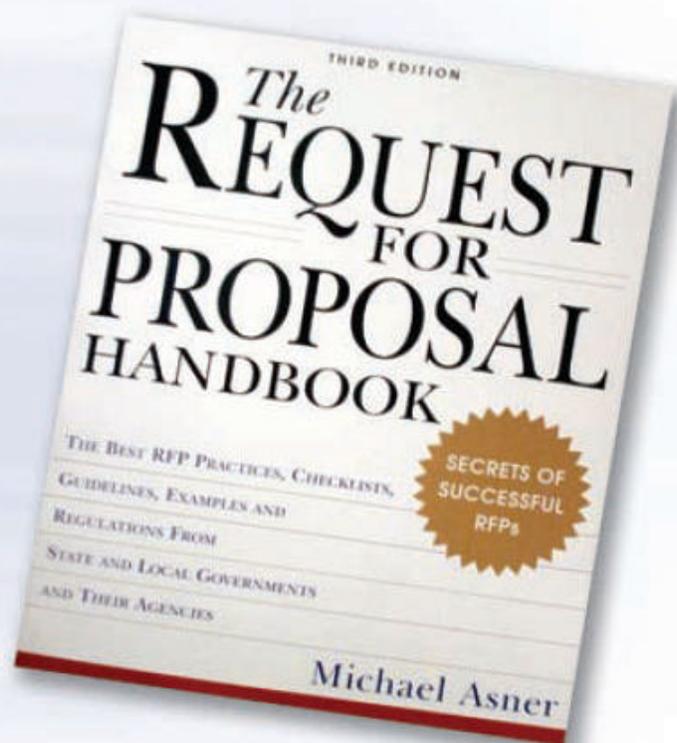
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Ron Watkins CPPO,
Past President, National Institute of Governmental Purchasing



Paving the path to asset reporting

With success of the ERP and fleet management projects, Halton turned its attention to asset reporting. To enhance confidence in public sector reporting, the Public Sector Accounting Board (PSAB) now requires every municipality in Canada to account for and put a value on every road, sewer line, park facility and other assets, including the original capital cost of each asset and its amortized value based on the life of the asset. Compliance is mandatory. If assets aren't clearly inventoried, our debt rating could be adversely affected.

SAP Canada and Halton worked together to develop a solution that would help position our municipality for compliance with PSAB mandates. We ran a series of workshops to determine and refine our requirements and integrated Loki Innovations' Real-Time Asset Value Analysis (RIVA™) software and other third-party applications. SAP hired IDS Scheer Canada and Clockwork Inc. to configure and support project management services.

We went live with the PSAB IT solution in 2008 – well before the mandated deadline. It has enhanced our ability to take accurate inventory of our infrastructure. We can calculate depreciation and track and record asset maintenance in real time. We're able to track all 17 asset classes across the organization. We are saving \$250,000 in internal accounting costs annually because we don't need three accountants to do the work the solution automates. To boot, Halton Region is the first municipality in Canada to be able to achieve all this with an ERP solution.

This year, Halton Region is working again with SAP to further refine our decision making

abilities and ensure greater accuracy of our data. With SAP BusinessObjects' business intelligence, data transformation and reporting tools in place, we can quickly find any data irregularities so they can be addressed immediately. Information accuracy is increasing, and our employees have confidence in the decisions they make based on the information at their fingertips.

Lessons learned

With 1,800 of Halton Region's 2,000 employees using SAP in their daily work, we can confidently say that it's been an effective and valuable partnership. SAP is one of the most stable vendors in our application portfolio. They are responsive to market sectors, including the municipal space, more so than some of other EPR vendors, and that's one of the many reasons why we continue to invest in SAP.

Many Canadian municipalities are sharing similar IT success stories, which is why it's so important to reach out to them for advice. The community is incredibly open about sharing intellectual property and best practices. Municipalities will even share code at no cost because, quite frankly, we're not in competition with each other like in the private sector. There's probably a solution out there already, and likely the owner of that solution will want to share it with you at little or no cost.

And don't forget to contact to the Municipal Information Systems Association (MISA). You can each to out to the MISA membership whenever you have any questions. Talk to your counterparts often and learn from their experiences, because communication is the vehicle that opens doors – especially for those new to the municipal IT experience. 

Ralph Blauel is the director of Information Technology for Halton Region in Ontario.