



The Corporation of the Town of Milton

Report To:	Council
From:	Meaghen Reid, Director, Legislative & Legal Services/Town Clerk
Date:	January 17, 2022
Report No:	CORS-003-22
Subject:	Digital Records Management Solution and Award of Request for Proposal No. 21-563C
Recommendation:	THAT Council approve the award of the proposal for a Digital Records Management Solution to Shinydocs Corporation in the total amount of \$145,000 (exclusive of HST);

AND THAT the annual maintenance and support contract be awarded for an initial period of up to four (4) years, starting in year 2, at the annual amounts outlined in Schedule A to this report, in the total amount of \$632,219 (exclusive of HST) for the four (4) year term;

THAT the Manager, Purchasing and Risk Management be authorized to execute the contract(s), as outlined by the purchasing by-law, and the Mayor and the Town Clerk be authorized to sign any required paperwork.

EXECUTIVE SUMMARY

- The introduction of a Digital Records Management Solution (DRMS) will allow the Town to build a centralized, compliance-driven and future-ready digital workspace infrastructure in order to support the Town's future records growth, improve customer service and increase internal efficiencies.
- The chosen solution is purpose-fit to the Town of Milton and its needs as a growing municipality. It provides customer service enhancements, satisfies the operational and functional requirements of the organization, limits the change management impact on individual business units and aligns to the goals and strategies outlined within the Town's internal Information Governance Strategy which was developed in 2020.
- Within the 2020 Budget, Council approved capital project C240119 - Enterprise Content Management (ECM) in the amount of \$360,500 to implement an ECM solution to support a compliance-ready digital records repository within the organization and to better manage the digital workplace moving forward.

- The one-time capital cost of \$147,552 (including the non-recoverable portion of HST) will be funded through the previously-approved ECM capital project in 2022.
- This award will result in ongoing annual maintenance costs beginning in 2023 in the initial amount of \$154,930 (including the non-recoverable portion of HST) with annual increases of 2.5% over the four year contract. These operating costs were not included in the existing budget forecast and if approved will be incorporated into the operating budget beginning in 2023.

REPORT

Background

Corporate records are valuable strategic assets for an organization. For municipalities, they are essential for supporting evidence-based business planning and informed decision-making. Corporate records are also important for the preservation of corporate memory of the municipality, as well as the history of the community.

Section 254 (1) of the *Municipal Act 2001*, S.O. 2001, c. 25, as amended, provides that a municipality shall retain and preserve the records of the municipality and its local boards in a secure and accessible manner. Adopted by Council on November 18, 2019, the Town's By-law 107-2019 ("Records Retention By-Law") establishes the records retention schedule for the lifecycle of all official records and further defines records management responsibilities of Town departments and its individual employees.

In the past, paper has been the main media for official Town records. Like many organizations, the existing recordkeeping practices in use today at the Town were designed for managing paper records. With the rapid changes to technology and "digital-first" ways of conducting business, a greater volume of official records are being created and kept in electronic formats, including digital documents, emails, and structured data stored within applications and database platforms.

In 2019, the Legislative and Legal Services Division conducted a Records Retention By-law review across all departments within the Town. The outcome of this review indicated that a high percentage of the Town's official records are born and kept in digital formats, which are primarily stored in departmental shared drives, email and SharePoint. Since 2018, these three record repositories have grown in size over 100%. Staff foresee that the reliance on these digital record repositories will continue to grow as the Town expands and embraces digital-first ways of conducting business. Currently, the Town's digital record repositories have manually-driven records management capabilities, relying on individual staff processes to manage, maintain and perform lifecycle activities on all associated records. These inefficient processes increase the risk of non-compliance with By-law 107-2019 and force staff to divert their attention away from tasks pertaining to conducting their core business and service to the community.

Within the 2020 Budget, Council approved implementing an Enterprise Content Management (ECM) solution (capital project C240119) to support a compliance-ready digital records repository within the organization and to better manage the digital workplace moving forward. As noted within the capital detail sheet for this capital project, this project is intended to spread over ten (10) years.

The concept of Enterprise Content Management relates to the tools, strategies and processes used to store, retain and manage both structured and unstructured data within the organization. This multi-faceted solution will facilitate collaboration across teams, reduce unnecessary transitory records at an enterprise level, provide flexibility to integrate with existing IT systems and leverage enhanced information governance features to better manage and protect the Town's information and records. In alignment with the ECM capital project, the Town developed its first Information Governance (IG) Strategy as an internal guidance document to establish that any information assets that are born in digital shall be used, managed and disposed of in their original form as much as possible in order to protect their integrity and quality. A Digital Records Management Solution, a component of Enterprise Content Management, is the first step in ensuring the Town implements an overall ECM solution that is capable of fully managing the lifecycle of digital records within the organization in order to drive the business forward with internal efficiencies and shared knowledge.

A cross-functional project team was established in 2020, including Information Technology, Legislative and Information Governance staff. The implementation of a Digital Records Management Solution to the Town's existing digital records repositories was identified as Phase 1 of the ECM Project in 2021.

As per Section 6.3 of the Purchasing By-law No. 061-2018, Council approval is required for the award of the proposal for a Digital Records Management Solution.

Discussion

Current context

Currently, the Town's main digital records repositories for unstructured data are composed of shared drives, exchange server (email) and SharePoint libraries. The size of the data stored in these repositories has dramatically increased during the COVID 19 Pandemic. This is driven in part by the necessity of using digital tools and files to facilitate cross-departmental collaboration during remote work. Many internal processes which relied on paper copies of documents and records were quickly adjusted to account for new remote work processes. Third party organizations have experienced a similar digital transformation which has further compelled the Town to create, manage and distribute digital records. These repositories lack critical records management controls that are necessary to effectively manage official records including auditing/reporting, efficient



search functions and automated workflows to identify, catalog and dispose of records according to the Town's Record Retention Bylaw. As a result, it has become very cumbersome for Town staff to manage their digital records and perform their core business. Many staff opt not to actively manage their digital records which results in the unnecessary growth of redundant, obsolete, and/or trivial (ROT) records and/or segregated datasets within individual departments with limited-to-no efficient means of indexing and searching for information when required internally or requested by external parties.

Over the past 2 years, the Town has been responded to an increasing number of Freedom of Information (FOI) requests under the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. M.56 (*MFIPPA*). Most of the records requested are in digital format. A lack of effective digital records management capabilities when responding to these requests could lead to increased risks and associated cost within the organization.

Digital Records Management Solution

To address the current records management challenges within the organization and equip staff with appropriate tools to tackle the continued growth of digital records, the cross-functional project team has recommended the implementation of a modern Digital Records Management Solution. The proposed solution provides tools and functions to address the Town's current records management needs. This solution will integrate natively with the Town's three primary records repositories to allow for indexing operations and application of lifecycle activities on associated records. It also provides mechanisms to integrate with additional third-party systems as the Town continues to grow and embrace new digital tools. This proposed solution will allow Town staff to better focus on external customer services by automating internal administrative tasks, facilitate better shared knowledge by creating easy-to-use and efficient records searches, create reporting/auditing capabilities for compliance purposes and modernize the Town's Freedom of Information (FOI) requests process to further enhance government transparency.

The implementation of a modern Digital Records Management Solution aligns with several strategic guiding documents detailed below:

Council-Staff Work plan

With respect to the Council-Staff Workplan (in Staff Report [ES-009-20](#)), a modern Digital Records Management would align with the following area of focus:

- Service Innovation
 - o We will deliver services that address increased expectations and service requests and manage the need for new investment.

Customer Service Strategy

A Digital Records Management Solution will align with the Town's Customer Service Strategy, recently received by Council (in Staff Report [ES-008-21](#)).

Specifically, this proposed solution would align with the recommendation related to “Establishing Smart Processes,” which is about modernizing internal business processes and focusing on “digital first,” in order to provide better access and timely customer services. Having enhanced search capabilities for information and records will better support staff in responding to customer inquiries in a timely and efficient manner.

Service Delivery Review

Within the Service Delivery Review Phase 1 (in Staff Report [ES-015-19](#)), Recommendation 15 describes some of challenges experienced by Operations, such as the limitations of paper records, limited work mobility and labour intensive documentation processes. Service Delivery Review Phase 2 (in Staff Report [CORS-063-20](#)) includes a recommendation that the “Corporate Services Department needs to modernize its services through a digital technology enabled mandate”. Implementing a Digital Records Management Solution will allow the organization to create automated records management workflows and build the foundation to support other business process automation initiatives.

This desired digital records management solution would provide following benefits:

- centralize and enforce retention policies (ensure compliance with Records Retention Bylaw);
- manage information lifecycle activities;
- implement enhanced information governance compliance audit, monitor and reporting capabilities;
- formalize disposition process for digital records;
- implement a digital archival process;
- efficient search capabilities across multiple records repositories (Google-like).

Request for Proposal (RFP) and Contract Award

Following a Request for Information (RFI) to acquire current market and product information, staff released a request for proposal (RFP) to acquire and implement a Digital Records Management Solution that integrates with the Town’s existing digital records repositories. This solution will enable the Town to apply its information governance policies and principles to all information and digital records managed within the Town’s existing digital repositories throughout their lifecycle.

Details of the RFP process are attached in Schedule A. Submissions were received from six (6) firms. An evaluation team facilitated by Purchasing with representation from Legislative and Legal Services and Information Technology evaluated the proposals against the established criteria and the following two (2) proponents were invited to an interview/demonstration of their product:

1. Stoneshare Inc. w/Gimmel Add-in

2. Shinydocs Corporation

Shinydocs Corporation is the highest ranking overall proponent and is being recommended for this award.

The implementation of this contract is anticipated to take twenty (20) weeks.

The highest scoring proponent (Shinydocs Corporation) provides a purpose-fit solution to the Town of Milton and its needs as a growing municipality. It satisfies the operational and functional requirements of the organization, limits the change management impact on individual business units and aligns to the goals and strategies outlined within the Town's internal Information Governance Strategy.

Implementation of the DRMS will reduce the Town's overall risk exposure for document retention non-compliance, yield a future reduction in storage / backup requirements related to indexing and purging redundant, outdated and trivial (ROT) records, and focus staff attention away from time-consuming records management processes which will translate to opportunities for staff to focus on their core business and higher value activities that can better support the needs of a growing community.

As part of the award, the Town will incur both an initial capital cost of \$147,552 as well as annual operating costs beginning at \$154,930. This degree of annual operating cost was not anticipated at the time the project budget was requested and is reflective of a software-as-a-service fee trend within the industry for many software licenses and services. Staff are recommending that the Town continue with the implementation of this solution at this time in order to achieve the benefits outlined above, noting the considerations outlined in the financial impact section below.

Alternatively the Town could choose not to proceed at this time, however the potential implications of that option include:

- Abandoning the current RFP process. Re-issuing a new RFP and getting a new solution will likely take 2-3 years and could result in a revised scope of work;
- Increased risk of non-compliance with the *Municipal Act 2001, S.O. 2001, c. 25* and the Records Retention By-Law;
- Increased risk of non-compliance with the *MFIPPA* for not being able to respond to FOI requests or potential privacy breaches in a timely manner;
- Increased discovery cost and/or staff time spent on responding to FOI requests or litigations;
- Increased risk of delayed/inefficient customer services;
- Increased digital storage, backup and relevant IT maintenance costs;
- Staff time continuing to be spent on labour-intensive records administration tasks.



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Financial Impact

The 2020 Budget included the approval of \$360,500 for project C240119 - Enterprise Content Management (ECM) which will provide the funding for the one-time capital cost of \$147,552 associated with this award. The remaining funds in the capital project will be used to address additional work and other costs during system implementation including external consulting services and/or integration with existing enterprise systems.

This award will result in ongoing operating costs related to annual licensing and maintenance beginning in 2023 in the initial amount of \$154,930 that would increase by 2.5% annually over the four (4) year period of the contract as outlined in Schedule A. These costs were not reflected in the operating budget forecast for 2023 and will therefore create additional budget pressure beyond the existing 7.15% estimate for the year. If approved by Council, the \$154,930 operating cost will be incorporated into operating budget beginning in 2023 and will represent an approximate 0.19% pressure on the property tax rates. As implementation of the ECM solution proceeds, staff will further assess the potential for savings in areas such as digital storage and maintenance costs, as noted above, as forms of partial mitigation.

Respectfully submitted,

Troy McHarg
Commissioner, Corporate Services

For questions, please contact:	Meaghen Reid, Director, Legislative and Legal Services/Town Clerk	Ext. 2132
	Aaron Smit, Director, Information Technology	Ext. 2317
	Michelle Rasiulis, Supervisor, Purchasing and Supply Chain Management (Bid Process)	Ext. 2143

Attachments

Schedule A – Proposal Award Document for Digital Records Management Solution

CAO Approval
Andrew M. Siltala
Chief Administrative Officer

**COUNCIL AUTHORITY FOR CONTRACT AWARDS
PROPOSAL AWARD**

Project Award	Proposal Award No. 21–563 for a Digital Records Management Solution
Recommendation	<p>Staff are recommending the award of the proposal for a Digital Records Management Solution to Shinydocs Corporation in the total amount of \$145,000 (exclusive of HST).</p> <p>AND THAT the annual maintenance and support contract be awarded for an initial period of up to four (4) years, starting in year 2 at the annual amounts outlined in the table below in the total amount of \$632,219 (exclusive of HST) for the four (4) year term, and that staff be given delegated authority to renew for up to two (2) additional one (1) year terms.</p>
Purpose of Report	As per Section 10.1 of Purchasing By-law No. 061-2018, Council approval is required for proposal awards over \$100,000.
Background information	<p>Staff released an RFP to acquire and implement a digital records management solution that integrates with the Town's existing digital records repositories. This solution will enable the Town to apply its information governance policies and principles to all information and digital records managed within the Town's existing digital repositories throughout their lifecycle.</p> <p>According to the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA), "records" are defined as "...any record of information however recorded, whether in printed form, on film, by electronic means or otherwise..." In the past, paper was the main media for official records, and most existing recordkeeping practices in use today within the organization were designed for managing paper records. With the increasing changes to technologies and digital-first ways of conducting businesses, more and more official records are created and kept in electronic formats including digital documents, emails, and structured data.</p> <p>In 2019, the Legislative and Legal Services Division had conducted a Records Retention Bylaw review across all departments within the Town. The outcome indicates that a high percentage of the Town's official records are born and kept in digital formats that are primarily stored in shared drives, Outlook and SharePoint. It is expected that more and more records will be born in digital form over the next five years. Currently the Town's digital repositories have limited information governance capabilities. An additional solution is required in order to build a compliance-ready digital records environment for the Town.</p>
Purchasing Section: Bid Award Information	
Date bid issued	Friday, August 13, 2021
Advertisements	Bids & Tenders and Town of Milton website

Closing Date	Wednesday, September 8, 2021																																													
# of Plan takers	16																																													
Proposal Submissions received	<p>Proposals were received from the following companies:</p> <ol style="list-style-type: none"> 1. Stoneshare Inc. 2. Stoneshare Inc. w/Gimmel Add-in 3. Shinydocs Corporation 4. KALSOFT Inc. 5. Helux Systems Inc. 6. Gravity Union Solution Ltd. 																																													
Evaluation Criteria	<p>The proposals were evaluated based on the following criteria:</p> <table border="1" data-bbox="618 583 1503 911"> <thead> <tr> <th>ITEM</th> <th>EVALUATION CRITERIA</th> <th>WEIGHT</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Description of the Firm and Corporate Structure</td> <td>5</td> </tr> <tr> <td>2</td> <td>Approach, Methodology & Work Plan</td> <td>25</td> </tr> <tr> <td>3</td> <td>Project Resources and Relevant Experience</td> <td>15</td> </tr> <tr> <td>4</td> <td>Digital Records Management Solution</td> <td>30</td> </tr> <tr> <td>5</td> <td>Proposal Costs</td> <td>20</td> </tr> <tr> <td></td> <td>Value Add</td> <td>5</td> </tr> <tr> <td></td> <td>TOTAL</td> <td>100</td> </tr> <tr> <td>7</td> <td>References</td> <td>Not Rated</td> </tr> </tbody> </table> <p>An evaluation team facilitated by Purchasing with representation from Legislative and Legal Services and Information Technology evaluated the proposals against the established criteria and the following two (2) proponents were invited to an interview/demonstration of their product:</p> <ol style="list-style-type: none"> 1. Stoneshare Inc. w/Gimmel Add-in 2. Shinydocs Corporation <p>Shinydocs Corporation is the highest ranking overall proponent and is being recommended for this award.</p> <p>The implementation of this contract is anticipated to take twenty (20) weeks. The annual maintenance contract is initially being awarded for a period of up to four (4) years to 2026, beginning in Year 2 at an annual amount, including a 2.5% increase in each year as follows:</p> <table border="1" data-bbox="789 1570 1393 1906"> <thead> <tr> <th>Term</th> <th>Annual Maintenance Fee</th> <th>Year</th> </tr> </thead> <tbody> <tr> <td>Year 2</td> <td>\$152,250</td> <td>2023</td> </tr> <tr> <td>Year 3</td> <td>\$156,056</td> <td>2024</td> </tr> <tr> <td>Year 4</td> <td>\$159,957</td> <td>2025</td> </tr> <tr> <td>Year 5</td> <td>\$163,956</td> <td>2026</td> </tr> <tr> <td>TOTAL</td> <td>\$632,219</td> <td></td> </tr> </tbody> </table>	ITEM	EVALUATION CRITERIA	WEIGHT	1	Description of the Firm and Corporate Structure	5	2	Approach, Methodology & Work Plan	25	3	Project Resources and Relevant Experience	15	4	Digital Records Management Solution	30	5	Proposal Costs	20		Value Add	5		TOTAL	100	7	References	Not Rated	Term	Annual Maintenance Fee	Year	Year 2	\$152,250	2023	Year 3	\$156,056	2024	Year 4	\$159,957	2025	Year 5	\$163,956	2026	TOTAL	\$632,219	
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	The option exists to extend the maintenance term for an additional two (2) years.
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Financial Planning Section: Budget Impact – Capital (Note 1)

Account Number(s)	C24011920
Account Description	Enterprise Content Management
Project Total Budget	360,500
Contract Budget	\$150,000
Actual (Net of HST Rebate)	\$147,552
Variance	\$2,448 (F)
Funding Source (Note 2)	Project Variance Account

Financial Planning Section: Budget Impact – Operating (Maintenance)

This award will result in ongoing operating costs related to annual maintenance beginning in 2023 in the initial amount of \$154,930 (includes non-recoverable HST) that would increase by 2.5% annually over the four (4) year period of the contract as outlined above. These costs were not reflected in the operating budget forecast for 2023, and will therefore create additional budget pressure beyond the existing 7.15% estimate for the year. If approved by Council, the \$154,930 operating cost will be incorporated into the operating budget beginning in 2023 and will represent an approximate 0.19% pressure on the property tax rates. As implementation of the ECM proceeds, staff will further assess the potential for savings in areas such as digital storage and maintenance costs, as noted above, as forms of partial mitigation.

Note 1: Financial impact includes any non-refundable portion of HST.

Note 2: Staff is requesting the favourable variance remain in the project in order to address additional work and other costs during system implementation and future phases of ECM.