

HALIFAX

P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 11.3.2
Halifax Regional Council
July 21, 2015

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed

SUBMITTED BY: Councillor Bill Karsten, Chair, Audit & Finance Standing Committee

DATE: July 15, 2015

SUBJECT: Project ICT0961 - Election Management Solution - Authorization for Capital Project Increase

ORIGIN

July 15, 2015 meeting of the Audit & Finance Standing Committee, Item No. 9.1.1

LEGISLATIVE AUTHORITY

Audit & Finance Standing Committee Terms of Reference section 3.8, which states "to review and make recommendations on proposals coming to Halifax Regional Council outside of the annual budget or tender process including but not limited to:

- New Programs or services not yet approved
- Programs or services that are being substantially altered
- Proposed changes in operating or budget items
- Committing of funds where there is insufficient approved budget, or,
- New or increased capital projects not included in the approved budget
- Increases in project budget due to cost sharing
- Creation or modification of reserves and withdrawals not approved in the approved budget

RECOMMENDATION

It is recommended by the Audit & Finance Standing Committee Standing Committee that Halifax Regional Council:

1. Increase Capital Project Account C1990015 - Election Management Solution for the sum of \$87,500 (net HST included) with funding from the Municipal Elections Reserve, Q313.
2. Pending a review of the projected Elections Reserve balance at March 31, 2016, consider an additional contribution of \$87,500 to the Reserve in the 2016/17 operating budget.

BACKGROUND

A staff report dated June 25, 2015 pertaining to Project ICT0961 – Election Management Solution – Authorization for Capital Project Increase was before the Audit & Finance Standing Committee at its meeting held on July 15, 2015.

For further information please refer to the attached staff report dated June 25, 2015

DISCUSSION

The Audit & Finance Standing Committee reviewed this matter at its meeting held on June 25, 2015 and forwarded the recommendation to Regional Council as outlined in this report.

FINANCIAL IMPLICATIONS

As outlined in the attached staff report dated June 25, 2015.

COMMUNITY ENGAGEMENT

All meetings of the Audit & Finance Standing Committee are open to the public. The agenda and report are provided online in advance of the meeting.

ENVIRONMENTAL IMPLICATIONS

Not applicable.

ALTERNATIVES

The Audit & Finance Standing Committee did not discuss alternatives.

ATTACHMENTS

1. Staff report dated June 25, 2015.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Liam MacSween, Legislative Assistant, 902.490.6521

P.O. Box 1749
Halifax, Nova Scotia
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Item No. 9.1 .1
Audit & Finance Standing Committee
July 15, 2015

TO: ~~Chair and Members of Audit & Finance Standing Committee~~
Original Signed

SUBMITTED BY: _____
Richard Butts, Chief Administrative Officer

DATE: June 25, 2015

SUBJECT: Project ICT0961 - Election Management Solution - Authorization for Capital Project Increase

ORIGIN

The Municipal Election Act of Nova Scotia and the Nova Scotia Education Act require the Municipality to conduct Municipal and School Board Elections, Special Elections and Plebiscites.

LEGISLATIVE AUTHORITY

On December 11, 2012 Halifax Regional Municipality Regional Council approved, that all budget increases are to be presented to the Audit and Finance Standing Committee, prior to submission to Council.

Halifax Charter, Section 93(1) - The Council shall make estimates of the sums that are required by the Municipality for the fiscal year; Halifax Charter, Section 79(1) - Specifies areas that the Council may spend money required by the Municipality; Halifax Charter, Section 35(2)(d)(i) - The CAO can only authorize expenditures budgeted or within the amount determined by Council by policy; Halifax Charter, Section 120(6) - The Municipality may maintain other reserve funds for such purposes as the Council may determine; and the Halifax Regional Municipality Reserve Policy - No reserve funds will be expended without the CAO's recommendation and Council approval.

The Municipal Election Act of Nova Scotia and the Nova Scotia Education Act require the Municipality to conduct Municipal and School Board Elections, Special Elections and Plebiscites.

RECOMMENDATION

It is recommended that the Audit & Finance Standing Committee recommend that Regional Council:

1. Increase Capital Project Account CI990015 - Election Management Solution for the sum of \$87,500 (net HST included) with funding from the Municipal Elections Reserve, Q313.
2. Pending a review of the projected Elections Reserve balance at March 31, 2016, consider an additional contribution of \$87,500 to the Reserve in the 2016/17 operating budget.

BACKGROUND

At the conclusion of the 2012 Municipal and School Board Election it was determined that the existing 12 year old Election Management System was not sufficient to fulfill future election requirements. In addition, the system was built on a platform that is obsolete and is no longer sustainable by ICT.

Early in 2014 the Halifax Regional Municipality entered into discussion with Elections Nova Scotia to determine whether the Provincial Election Management System could be expanded to meet the requirements of Municipal and School Board Elections. After substantial investigation it was determined that this product would provide the best foundation on which to redevelop and meet the municipality's need.

The Halifax Regional Municipality entered into a Software License Agreement with Elections Nova Scotia (ENS) to further develop the provincial Election Management System which at the conclusion of Project ICT0961 would meet the requirements for Municipal and School Board elections. In addition, this project will improve the speed of election results reporting and reduce the risk of error.

Due to the time required to complete the contractual agreements and to rework portions of the system to best meet municipal election requirements, additional time and resources are required to complete the project in compliance within the initial project scope (Project ICT0961).

DISCUSSION

This report is before the Audit and Finance Standing Committee and Regional Council in order to ensure that tools are available to effectively and efficiently administer the upcoming Municipal and School Board Elections.

Key functionality to be delivered	Description
Election Management System	<ul style="list-style-type: none">• Elector Management (Elector and Civic Information)• Candidate Information Management• Location Management• Poll Table Management• Vote Anywhere for Advance Voting
Election Night Reporting	<ul style="list-style-type: none">• Results Reporting from Poll Locations via Tablets• Result Validation

The additional investment required to complete the functionality is \$87,500 and deliver the functional components outlined in the project plan including:

- Full functionality for conduct of a municipal and school board elections
- Enhancements to user functionality of the voter management screens to improve data quality
- "Vote anywhere" functionality for advanced polls
- Reports for candidates and election officials
- Election night reporting (via tablets)
- Sufficient financial reserve to address project changes

Work on all components will be completed by September 2015 with sufficient time to test and pilot the application well in advance of the 2016 Municipal Election.

Should Council wish to consider other alternatives staff has prepared budget estimates and potential risks and outcomes for a number of approaches. Alternatives, other than the recommended option to deliver all functional components as outlined in the project plan, are provided in Attachment 1 of this report. Alternatives comply with the legislative requirements for conducting Municipal and School Board Elections but will not provide full functionality and efficiencies and introduce some risk in the delivery of the election.

FINANCIAL IMPLICATIONS

The recommended increase to the project budget of \$87,500 (net HST included) will be funded by the Municipal Elections Reserve, Q313.

Budget Summary:	<u>Project No. CI990015 Election Management Solution</u>	
	Cumulative Unspent Budget	\$ 92,461.91
	Increase	\$ <u>87,500.00</u> (Net HST Inc.)
	Balance	\$179,961.91
	<u>Municipal Elections Reserve, Q313.</u>	
	Projected balance at March 31, 2016	\$1,664,324
	Withdrawal for CI990015	\$ <u>(87,500)</u>
	New Projected balance at March 31, 2016	\$1,576,824

COMMUNITY ENGAGEMENT

The municipality recently completed a citizen engagement initiative with respect to elections. Where possible, input from the public will be referenced and incorporated in the planning process.

ALTERNATIVES

Audit and Finance may choose not to recommend to Council the withdrawal of monies or an amount less than identified as optimal by staff.

Alternative options include:

- 1) Allocate a new project contingency amount of \$43,500 equaling 5% of the project budget.
- 2) Do not allocate any additional monies to the project.

These are not the recommended alternatives as they will not provide the functionality and efficiencies this project can realize and introduces risk to optimal delivery of the election.

ATTACHMENTS

Appendix A – Alternative Project Delivery Descriptions

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Lori McKinnon, Election Coordinator, 902.490.6810 and Alain Tremblay, Manager, Business Applications Management, 902.817.8792

Original Signed

Report Approved by: _____
Cathy Mellett, Municipal Clerk, 902.490.6546

Report Approved by: Original Signed _____
Donna Davis, CIO, 902.490.4417

Original Signed

Financial Approval by: _____
Bruce Fisher, Acting Director of Finance & ICT/CFO, 902.490.4493

Alternative Project Delivery Descriptions

Alternative #	Description	Comments
1	<p>New project contingency at 5% of budget Amount = \$43,750</p>	<p>Ensures that the project has sufficient financial reserve to address small project impacts and deliver some additional functionality.</p> <p>Delivered functionality includes:</p> <ul style="list-style-type: none"> • Vote Anywhere for Advance Voting • Improved voter management screens to improve data quality. • Reports for candidates and election officials for improved voter engagement. <p>Some functionality may not be addressed.</p> <p>Budget would reduce risk of factors outside of the project control.</p>
2	<p>Use current, remaining budget, no additional funds allocated Amount = \$0</p>	<p>Some major system components not delivered.</p> <p>Other system components will be reduced in scope to meet budget requirements.</p> <p>Any project delay could impact project deliverables.</p>