



Municipal
Innovation
Exchange



**Municipal Finance
Officers' Association of
Ontario**

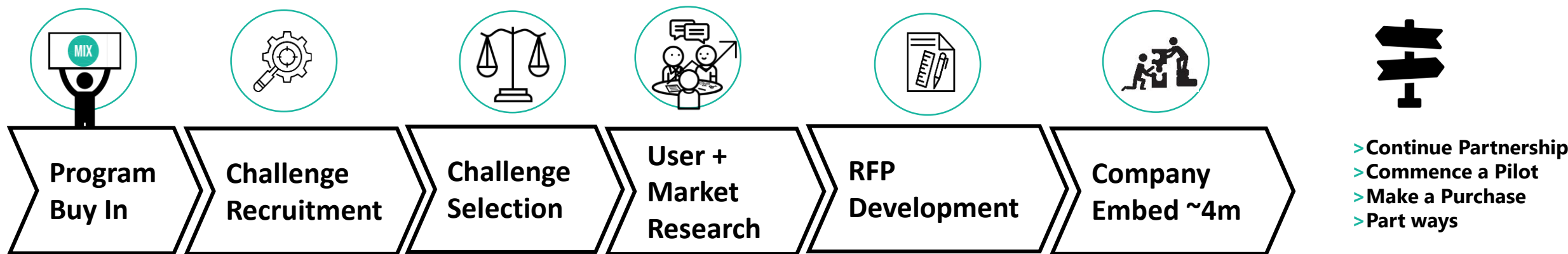
Background

The Municipal Innovation Exchange (MIX) builds on the success of the City of Guelph's Civic Accelerator and the momentum it created in the municipal sector.

MIX is a joint initiative with the Cities of Guelph, Barrie and London, as well as the MaRS Discovery District. The approach developed by the MIX initiative allows cities to explore municipal challenges and emerging technologies through collaboration with vendors to develop and refine solutions that are not just build for cities....

but built *with* cities.





Every procurement offers an opportunity.

RFPs can read like a list of requirements, our approach explores the complexity of our challenges and ask the market to refine or develop solutions that will help reach outcomes on the short and long-term.

How does this approach de-risk innovation?




This approach makes most sense when the tool or technology is

- New to the City
- New to users (city staff, residents, etc)
- New to most municipalities

What is at stake?

- Procure the wrong tool/technology
 - Unexpected costs arise with customization to meet needs/outcomes
- Need to go back out to market, but lose momentum
- Requirements aren't clear, vendors don't submit proposals or they over-charge

Our Progress

-  Released our first piece of thought leadership “What’s in the MIX: Challenges and Opportunities for Municipal Innovation Procurement” in partnership with the Brookfield Institute for Innovation + Entrepreneurship and MaRS Discovery District.
-  Launched the first challenge with the City of Guelph and have selected a vendor for *“How might the City of Guelph improve the capture, monitoring, analysis and forecasting of information related to the quality of roads?”*
-  The City of London has released their challenge and Barrie is planning to release their challenge soon after.

Our Challenges






The City of Guelph’s Civic Accelerator has released the first MIX Challenge looking at *“How might the City of Guelph improve the capture, monitoring, analysis and forecasting of information related to the quality of roads?”*. As part of this challenge the City requested the following outcomes:

- The proposed solution must increase the range of data points collected (more than the current 9 data points) and the frequency of the collection of road condition data (more than every 3 years).
- The proposed solution should also meet **any** of the following outcomes:
 - Reduce the time it takes to complete annual capital plans for roads; Increase the accuracy of 10 year capital plans;
 - Reduce the average spend per segment of road over a 10 year period;
 - Improve average Pavement Condition Index scores over 10 year period;
 - and Increase resident satisfaction with roads by 10% in 10 years, from 2017 baseline of 65% (very or somewhat satisfied).

Status: received four strong proposals and are evaluating proposals.

The City of Guelph is also developing additional challenges with departments across the organization, including Corporate Communications, Waste Management, and Paramedic Services.

What is next?

-  Launch challenges in the City of Barrie and select vendor the City of London.
-  Bring other cities into the process by sharing learnings throughout each challenge once a vendor is selected.
-  Publish the Municipal Innovation Exchange's Toolkit by March 2020 that sets out the tools, step by step, for any municipality to follow this approach.

Thank You.

Karen Gomez

519-822-1260 extension 3509

karen.gomez@guelph.ca

Balancing Innovation and Accountability

A presentation to
Municipal Finance Officers' of Ontario Conference
Deerhurst Resort, Huntsville, Ontario
September 18, 2019



By Kathryn Wood
President and CEO, Pivotal Momentum Inc.
www.pivotalmomentum.com

Balancing Innovation and Accountability

- Context for the issue: why are we talking about this *now*?
- What do we mean by “innovation” in the public sector?
- What do we mean by “accountability” in the public sector? Q&A
- What is a Finance Officer’s role in each of these?
- What are the implications of changing roles for Finance Officers? Q&A
- How might we prepare for a new role(s)?
- How are some municipalities addressing this issue? An example...
- Final Q&A

Context: Why Are We Talking About This Now?

- We've been through 'fiscal constraint' before...
is *this* time different?
- Increasing stress on long-relied upon inter-governmental arrangements and policy tools
- Municipalities have limited ability to influence most important drivers
 - Many 'trickle down' impacts (ex. trade disputes)
- "Innovation" is seen as a solution to:
 - Financial pressures
 - Customer service challenges
- Most citizens are experiencing 'both sides' of innovation in daily lives

What Do We Mean by “Innovation” in the Public Sector?

A Typical Private Sector Definition of “Innovation”:

*Coming up with **new ways** of doing things that deliver **greater value** to your **customers/clients** directly or indirectly. The new ways must **set you apart** in the marketplace.*

Latest incarnation of earlier terms like imitation or invention. Origin? 13th century law texts as term for **renewing** contracts

Does This Translate to Public Sector?

- Highly-regulated sector (**new is hard** and potentially unsafe)
- “**Efficient**” or “**effective**” may be more appealing than “value”
- Most often, think **citizens** or **ratepayers** rather than customers/ clients; municipalities DO have customers
- Setting you apart implies **competition** municipalities seen as partners
- may be the **antithesis** of universal programs, fair and equal treatment

How should we ‘translate’ innovation to use it effectively in the public sector??

What Do We Mean by “Accountability” in the Public Sector?

General Principle...

... that governments (including **municipalities**) are **answerable** to the public and **responsible** for their actions, decisions and policies.

- Often used in same sentence as “**transparency**”

To Financial Officers, It May Mean...

- Able to assess **reasonableness** of decisions
- Implies **due diligence** has been done
- **Compliant** with legislation and regs.
- A **rationale** for investment is required
- **Openness** and **fairness** in process, with **confidentiality** protection
- Human safety, environmental protection not at **risk**

Feedback/Q&A

- Do these descriptions resonate for you?
- What's missing? What needs clarification?
- When you look at these two terms, where do you see the greatest “balancing” challenges?

What is a Financial Officer's Role in Each of These?

Innovation

- New ways
- Value-for-money
- Efficiency
- Effectiveness
- Citizen/ratepayer focus
- Customers
- Competition
- Antithesis of 'universal'

Finance Officer



Accountability

- Compliant
- Reasonableness
- Due diligence
- Rationale for doing
- Openness
- Fairness
- Confidentiality
- Risk

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Finance Officer

- Procurement process

Accountability

- Compliant
- Reasonableness
- Due diligence
- Rationale for doing
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- Confidentiality
- Risk

What Are the Implications of Changing Roles?

For Finance Officers:

- Need deep understanding of **innovation processes, 'language'**... and of **innovators**
- Need rock-solid understanding of **alternative processes**
- Will be expected to operate as part of a **multi-function team**
- Risk of being **'caught in the middle'**
- **Expectations management** will be key
- Need to be able to incorporate **'dynamic' situations** into 'incremental' processes
- Even in the world of finance, need better **'peripheral vision'**
- **External-facing communications skills** will be even more important

For Other Municipal Staff Members:

(CAO, Operations Leaders, Legal & Insurance, Human Resources etc.)

- May need enhanced skills on **business case** for innovation, and **innovation-oriented project management**
- May be expected to **hunt for financing/funding**
- **Expectations management** will be key
- Will be expected to operate as part of a **multi-function team**
- Risk of being **'caught in the middle'**
- Better **'peripheral vision'**
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Feedback/Q&A

- Do the preceding descriptions of changing roles match your expectations?
- Have we correctly identified the implications of changing roles? Or is this how you function now anyway?
- How would you describe the degree to which municipalities will have to change to be able to pursue innovation? Or do they need to change at all?
- Which of the role changes do you think will be most difficult for Finance Officers? For other staff members?
- How innovation-ready do you think your municipality is?

How Might We Prepare for a Changing Role?

- Raise the “innovation management” issue at the **senior management table**
- Get **involved at the ‘front end’**
 - Across full range of finance functions
 - Especially in procurement (bylaws, contracting, insurance)
- Appreciate that **policies and procedures** may need to change
 - Look for ‘success stories’ elsewhere and assess if experience can be transferred
- Design ways to incorporate **innovation thinking** into budget deliberations
 - How does innovation “show up” on balance sheet, P/L? in FIRs?
- Build **risk management provisions** into innovation processes, without strangling the process
 - Speed (typically innovators value speed and collaboration more than money)
 - Compartmentalization (make sure problems don’t cascade through organization)
 - Intellectual property (figure this out at outset, write into any contracts)
 - Cybersecurity and confidentiality (esp. if third party products/services used)

Feedback/Q&A

- Will the preceding preparations help you be a part of successful innovation initiatives?
- Do you personally know where to look for help on non-financial preparation?
- What do you anticipate being the most challenging part of ‘balancing innovation and accountability’?

How Are Some Municipalities Addressing This Issue?

Examples:

- Marketplace.city
- Municipal Innovation Exchange
- Municipal Innovation Certification
- Municipal Innovation Conference

How Are Some Municipalities Addressing This Issue?

Example:

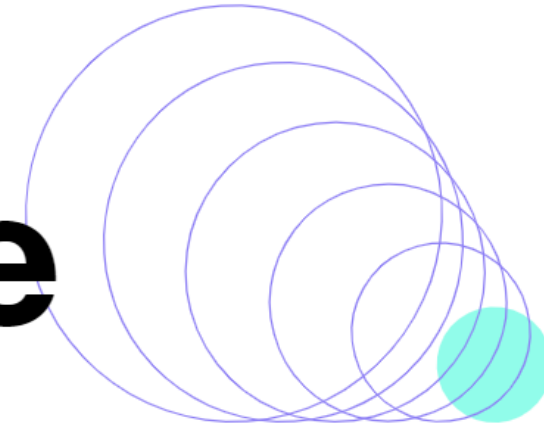
- Marketplace.city

Marketplace.city

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How Are Some Municipalities Addressing This Issue?

Example:

- Marketplace.city
- ... has an innovation section
- ... identifies solutions that have been validated

The screenshot shows the Marketplace.city website interface. At the top, there is a navigation bar with links for 'Browse', 'News', 'Opportunities', 'Vendors', 'About', 'Log In', and a 'Sign Up' button. Below the navigation bar, the main heading is 'Browse the Marketplace'. A search bar contains the word 'innovation'. To the left of the search results is a 'Filters' sidebar with a 'Focus Area' section containing a list of categories: Communities, Education, Emergency Services, Energy and Infrastructure, Environment, Health/Wellness, Public Safety, Quality of Life, Social Services, and Transportation and Mobility. Each category has a plus sign. The 'Health/Wellness' category is circled in red. Below the filters, the search results are displayed. The first result is for 'Smart City Innovation / Demo / Experience Center Build' by iSoftStone, with a description: 'The focus is on the positive elements being built and the smart developments that lie ahead while acting as a bridge and link of resources.' Below the title are tags for 'Analysis', 'Communication', 'Communication', 'Public Works', and 'Visualization'. The second result is for 'UrbanLeap' by Urbanleap, with a description: 'Helping cities to discover, test, and share innovative solutions.' Below the title is a tag for '4 Validations' and another set of tags: 'Analysis', 'Application', 'Civic', 'Cloud', 'Dashboard', and 'Information Management'. The third result is for 'ServiceONE - Infrastructure and service management' by SII Concatel, with a description: 'ServiceONE® is the Smart tool created by SII Concatel for the management of infrastructure and services that are provided therein.'

How Are Some Municipalities Addressing This Issue?

Example:

- Municipal Innovation Exchange (**Guelph, London, Barrie, and MaRS** Discovery District)
- Uses innovation procurement *'challenges'*
- Concurrent session going on right now



[Home](#) » [City government](#) » [Open Government](#) » Municipal Innovation Exchange (MIX)

Municipal Innovation Exchange (MIX)

Launching our second MIX challenge!

The City of London is looking for a vendor to help improve the capturing, monitoring, and analysis for municipal outdoor facilities. To submit a proposal visit the [City of London's Bids and Tenders page](#) and tune in to their [webinar on September 17 at 11 a.m.](#)

[About MIX](#)

[Our work](#)

[Our research](#)

[Challenges](#)

What is MIX?

The Municipal Innovation Exchange (MIX) is an emerging centre of excellence using procurement as a tool to build innovation capacity and explore complex municipal challenges. MIX is a



[Open Government](#)

[Municipal Innovation Exchange \(MIX\)](#)

[Improvement Network](#)

[Corporate plans and strategies](#)

[Communications Plan](#)

[Corporate Administrative Plan](#)

[Corporate Technology Strategic Plan](#)

[Diversity Strategy](#)

[Integrated Talent Blueprint](#)

[Official Plan](#)

[Records and Information Management \(RIM\) Strategy](#)

[Tweets](#) by [@cityofguelph](#)

 [City of Guelph](#)
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How Are Some Municipalities Addressing This Issue?

Example:

- Municipal Innovation Certification
 - Regional (counties and cities)
 - Eastern Ontario
- Consultation tour showed that everybody had a “yes but...” so a certification program has been designed to remove barriers

Early Stage Start-Ups:

- Need customers
- Don't likely have insurance
- Need quick turnaround on decisions
- May have a product or service that with a little adaptation would be applicable to municipalities

Municipalities:

- Need solutions
- Require insurance
- Slow to respond --- need to address transparency
- Have challenges (to which innovators could respond)

How Are Some Municipalities Addressing This Issue?

Municipal Innovation Certification:

For Municipalities...

- Adapt your **procurement by-law** to recognize innovation as a viable option and clearly lays out a process for considering both solicited and un-solicited opportunities;
- Provide **training** to both Council and senior staff on the benefits of innovation procurement and the process (10 minutes);
- Identify three (**3**) **potential challenges** looking for solutions;
- Identify **potential partners** for the challenges, both as a risk mitigation strategy and a joint procurement partnership. Partners can be other municipalities or private sector companies;
- A **three year commitment of \$5,000** per year towards innovative procurement by the municipality; and
- A **proclamation from Council** supporting innovative procurement and are promoting same on their website through both statements and the use of the certification seal on relevant official documents.

How Are Some Municipalities Addressing This Issue?

Municipal Innovation Certification (launched at OEMC; details to be posted on www.eolc.info).

Why would we do this?

- Create local jobs
- Youth retention
- Improve the profile of Eastern Ontario as a place to invest
- Find solutions to real world problems
- Create a network of municipalities that may be able access grant funding for innovation
- Improve service delivery to your residents
- Reduce costs - better ways to do things
- Allow staff to concentrate on work that adds value

How Are Some Municipalities Addressing This Issue?

Anticipating Needing to Use Innovation Procurement:

1. There is no existing solution in the market
2. Needs cannot be met without significant modification to existing solutions
3. Looking for alternative approaches
4. Solution is complex and involves multiple stakeholders
5. Value of procurement is high enough to justify the time and resources
6. Collaboration and partnership with suppliers in solution development may be required
7. Solution cannot be objectively defined
8. The technical specifications cannot be established with sufficient precision

***Recommended inclusions in Purchasing/Procurement Policy:
background work completed to Eastern Ontario subgroup; subsequently reviewed by law firm
of Faskin (Formerly Martineau LLP)***

Feedback/Q&A

- Given what you've heard, what do you think is the single most challenging part of balancing innovation and accountability?
- Did you get at least one good idea about how to prepare yourself and your municipality for increased innovation expectations?
- Do you think that the 'balancing act' (between innovation and accountability) will make your job more interesting? More difficult? Or easier?
- If you had to take one step immediately to move forward on innovation in your municipality, what would that one step be?

Thank You For Your Participation!

To continue the conversation...

Kathryn Wood

President and CEO, Pivotal Momentum Inc.

613-376-6006

kwood@pivotalmomentum.com

www.pivotalmomentum.com

