



## **Administrative Report**

### **Office of the Deputy Clerk**

**To:** Warden MacDonald and Members of Essex County Council

**From:** Katherine Hebert  
Manager, Records and Accessibility/Deputy Clerk

**Date:** Wednesday, May 03, 2023

**Subject:** Migration to Laserfiche Cloud

**Report #:** 2023-0503-LCS-R06-KH

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#### **Purpose**

To seek County Council approval to enter into a three-year contract for a Cloud version of the existing Electronic Documents and Records Management System (EDRMS) used by the County and local municipalities and provide a subsidy to the local municipalities to assist with the incremental costs associated with transitioning from the current on-premise enterprise version of the EDRMS to the Cloud version.

#### **Background**

##### **Current State**

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In October of 2000, the County of Essex purchased Laserfiche software, an Electronic Documents and Records Management System (EDRMS) to complement its records and information management (RIM) program.

Since then, the software has been locally stored and operated from the County's internal network server. At this time, Laserfiche, as an international company, has made a business decision to start to move away from the on-premise solutions and has focused the majority of its research and development on a cloud-based software model.

Over a period of time, after the County acquisition of Laserfiche in 2000, all of the local municipalities in the County also acquired the Laserfiche software. In 2010, an opportunity for significant cost savings for all the local municipalities, related to Laserfiche licencing became available through the acquisition of an enterprise licencing arrangement. This is currently the

version shared between the County and all 7 local municipalities. This enterprise model, resulted in reduced licence costs for each municipality, by leveraging the discount afforded to one larger group.

Additionally, savings to the local municipalities were achieved through this model, since 2010, because the County covered the cost of some of the joint elements of the software, such as the Weblink Public Portal and Forms Public Portal. Rather than each municipality incurring the cost of those portals individually, the County funded those expenditures, thereby subsidizing the true cost of Laserfiche for the seven local municipalities. As well, the County funded and maintained the hosting server for the portals and licences. The County further pays the full cost of a Laserfiche training portal that is available for all Laserfiche users at all partner municipalities. The County of Essex has in the last 13 years, subsidized the cost of Laserfiche for the 7 local municipalities by approximately \$230,000.

As with other legacy funding arrangements between the County and the local municipalities, the agreement for this software and services was informal. The group acted in the best interest of all parties and it has worked well over the years, with the County subsidizing a substantial portion of the costs on an annual basis.

## **Contract/Agreement**

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Despite the fact that there are eight parties being licenced under the current Rio Laserfiche licence agreement, the formal contract is between the County of Essex and ThinkDox, with a 'handshake' agreement for the 7 local municipalities for their portions of the LSAP (annual support and maintenance costs). Due to the enterprise structure of the Laserfiche Rio licencing agreement, if one municipality drops out, then the individual cost to all partners is altered to absorb the licence costs of the municipality that dropped out.

The current arrangement benefitted all parties for many years. Professional Records Management service reviews in the past few years, in addition to advancements in technology and the increased need for secure storage of municipal records has prompted the re-evaluation of the current model for many of the municipalities under the Rio Licence.

## **ThinkDox**

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The Ontario vendor of Laserfiche, which the County of Essex and all local municipalities have dealt with since 2010 is a company called ThinkDox. Thinkdox is the authorized re-seller of Laserfiche and also assists with the software application updates, customization, training and support services.

## **Discussion**

### **Records and Information Management Review**

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In 2021, the County of Essex engaged in a comprehensive Records and Information Management Review with iMerge Consulting, which resulted in several recommendations that the County should consider for the efficiency, security, compliance, long-term health and sustainability of its RIM Program.

The recommendations in that report included some items related to security, process improvements, compliance, risk management and modernizing software. As such, the County entered into discussions with our current vendor for Laserfiche, ThinkDox, to uncover options on how to improve the services we currently have available with the on-premise software.

Further, the County has been experiencing some deficits in the current version of Laserfiche, in that some automatic processes that were created as custom solutions for the group of users, are failing. Namely the public portal for records has ceased to function properly and there is no known fix to this issue. Through discussions with the local municipalities over the last 3 years, it was uncovered that there are some additional concerns for many users, that cannot be upgraded or corrected on our current version of Laserfiche.

The County raised these issues with ThinkDox, and the strongest solution provided to the County was a proposal to upgrade to the cloud-based version of the Laserfiche software. The cloud-based solution will provide staff with advanced tools and the latest updates in technology.

### **Benefits of Laserfiche Cloud**

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#### **Hardware Footprint and Space**

Laserfiche Cloud would not be hosted by the County, and thus would have a reduced cost for server hardware and software, maintenance and backups currently occupied by the on-premise solution. Local municipalities would have full access to manage their own licence requirements and documents included in their own public portal.

#### **Time for the County IT Team**

Having an on-premise system means that internal IT staff have to care for and maintain the hardware involved. With the cloud-hosted option, Laserfiche handles all of the maintenance, so County IT are free to spend their time on other projects. Since the County is the host of some components for the whole group, County IT supports certain portions of all 8 municipalities under the current on-premise model.

## **Laserfiche Cloud runs automatic updates**

When using a self-hosted system, County IT has to schedule and manage system updates. With the Cloud, updates are completed automatically. This means that it's easier and faster to gain access to new features and bug fixes. Laserfiche is updating the Cloud environment with new features monthly.

## **Migrating to the Cloud opens new possibilities for features**

Laserfiche Cloud offers additional features not available on self-hosted systems and many of the modules are bundled into the licensing. Some of the features are a streamlined dashboard interface, direct share tools, built-in integrations (such as MS Products), reporting, surveys, web API calls to facilitate business processes, and workflow bots to simplify automations.

**Appendix A**, attached, provides a summary of a comparison between Laserfiche Rio and Laserfiche Cloud.

## **Reliability and Access**

A cloud-based system is far more accessible for employees who are traveling or working from home. Connecting to an on-premise system remotely can be more complex. With Laserfiche Cloud, employees can carry out their job functions safely and securely, from anywhere that they need to be. Custom authentication features can be added like Active Directory Federation Services (ADFS), two-factor identification, single sign-on (SSO), and traditional password controls for internal and external users. The Laserfiche Cloud solution also has a very high reliability rate for access.

## **Security and Compliance**

Laserfiche Cloud utilized the Amazon Web Services (AWS) Cloud platform which boasts security features such as automatic intrusion detection and AES-256 encryption at rest and in transit. This Trust Center site assists in questions regarding security, privacy, and compliance in detail including meeting compliance standards such as SOC 1,2,3, FISMA, ISO, PCI. The AWS servers for the County are housed in Canada (Toronto). Rigorous security and regulatory practices are incorporated using Cloud tools and controls.

## **Transition from Laserfiche Self-Hosted to Cloud**

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Transitioning to the Laserfiche Cloud is fairly straight forward, with a few exceptions. Laserfiche (via ThinkDox) offers technical, administrative and operational support for migrating the County and partners to the Cloud. Although timelines will vary from one municipality to the other, migrating from an on-premise system to the Cloud can take as little as a week. There

are some costs associated with the migration, and for rebuilding existing forms and workflows in the Cloud once the migration is complete.

## **Laserfiche Rio Decommissioning**

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Laserfiche has advised that it will no longer be selling Laserfiche Rio at the end of this year, and has provided an end-date for support of this version of Laserfiche of 5 years. This hard end-date will mean that a transition to Laserfiche Cloud, or some other EDRMS system would be required in short time, regardless of our current proposal. The County, who has a plan for its RIM Program already, does not want to delay any longer to start implementing measures to advance the maturity and assure compliance within our program.

## **Proposed Group Strategy**

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Considerable discussions have taken place with the local municipalities over the last 2 years, regarding the desire to migrate to the Laserfiche Cloud. These discussions initially involved the local municipal clerks, IT personnel, and more recently, the treasurers and other interested stakeholders on staff.

Laserfiche does not provide an 'enterprise' licence model for their Cloud product. As requested by the County, ThinkDox did enter into negotiations with Laserfiche to provide a 'Group Proposal' which included beneficial licence pricing and provisions based on a model where all local municipalities would agree to migrate to the Cloud at the same time (in 2023).

The proposal further included three years of subscription services and a one-time implementation fee in the first year of the Agreement, and a one-time credit for a portion of the existing on-premise software, if all local municipalities and the County agreed to participate in the Laserfiche Cloud model.

## **Cloud Licence Model**

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Laserfiche bases their Cloud pricing on population. This means that the local municipalities that have a population of less than 25,000 are eligible for special temporary pricing packages. Municipalities that have a population of greater than 25,000 do not qualify for this incentive and thus have greater costs. In order to continue the benefits for the whole County of Essex user-group, ThinkDox has received permission for a special pricing incentive which lowers the overall cost for Licences than would be available to individual municipalities operating on their own. The proposal does include higher pricing for the municipalities over 25,000 in population, but lowers the cost for municipalities with populations under 25,000.

## **Feedback**

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Two of the eight municipalities currently operating under the Laserfiche Rio group agreement are not interested in making the switch to Laserfiche Cloud at this time. Amherstburg and LaSalle have made the decision to remain with the on-premise solution.

The other five local municipalities are in agreement to move forward in 2023 with a migration to Laserfiche Cloud, provided that they receive some assistance with the initial transition costs. Some have indicated that they have been waiting for this group decision and have had to delay their migration as a result.

## **Financial Implications**

### **Mitigation of Extra Costs**

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The County of Essex Administration recognizes that there is an increased cost for most transitions to cloud-based versions of software, and as such is proposing that the County mitigate the cost differential between Laserfiche Rio and Laserfiche Cloud in some way for the participating municipalities. The County has provided local municipalities with notice of our intention to migrate to the Laserfiche Cloud model, and therefore some of the local municipalities have made some necessary budget amendments, however it was not possible to get firm pricing until the decision was made by all municipalities as to whether they were going to participate in the move to Laserfiche Cloud. Additionally, in recognition of the dissolving of the current group-pricing and licence model and current subsidized features of that model, the County is proposing to cover the difference between current cost, and cloud cost for one year, and half of the difference in cost for year two, then year three of the agreement all parties would be covering the full cost of their Laserfiche Cloud services on their own.

### **Cost for LaSalle and Amherstburg to Remain with Laserfiche Rio Model**

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Those opting to remain on the Laserfiche Rio software, will have costs in line with the quantity of licences they require. Currently the group is getting enterprise pricing on licence costs, which will no longer be applicable in the two municipalities remaining with the on-premise model. The cost associated with remaining on premise is based on the number of licences they require and the cost of the professional services required to migrate the on-premise administration from the County facility to a lower-tier and set-up required.

Recognizing that there is an increased cost to these municipalities to remain on premise as well, Administration is proposing that their full incremental costs in year one and half the incremental costs in year two also be subsidized by the County, with the full impact of the incremental costs being the responsibility of those municipalities in year three.

## **Laserfiche Cloud Cost**

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Included in the County budget for 2023 were funds to cover the move for the County to the Cloud, in addition to some funds to assist easing the increase in costs for those local municipalities wishing to move as well. A total of **\$322,342** was approved for this purpose in the 2023 budget.

As previously indicated, it was not possible to get exact pricing and to calculate the number of hours of professional services that Thinkdox requires to transition users to the Cloud until all municipalities had made their decision as to whether they wanted to move in 2023. **Appendix B** provides a spreadsheet indicating the quotes for Laserfiche Cloud for the County, Lakeshore, Leamington, Essex, Kingsville and Tecumseh, as well as the quotes for Amherstburg and LaSalle to remain on premise. Additionally, the spreadsheet identifies the amounts of the subsidies proposed for each municipality for years one and two of the three year contract, including funds to cover all municipalities professional services (up to a maximum of 500 hours for the group). Subsidies proposed to be paid by the County for the local municipalities licence fees for year one and two as well as professional service hours to cover migration fees equate to **\$310,429**.

In accordance with the County of Essex Procurement By-law, limited tendering/direct purchase provisions, this three-year contract with ThinkDox would be entered into under Section 9.3, which allows for additional goods or services to be provided by the original supplier if the services cannot be obtained from another supplier for technical reasons such as interchangeability or interoperability of the existing software. The County of Essex has been utilizing Laserfiche as the EDRMS for 23 years and it holds thousands of corporate records which would need to be converted to any other type of EDRMS solution. County Administration does not recommend procuring a completely new EDRMS solution, rather, moving the same solution to a Cloud-based platform accomplishes the desired outcomes with the least amount of disruption to the access to our corporate records.

## **Consultations**

The following people were consulted during the drafting of this report:

- Sandra Zwiers, Director, Financial Service/Treasurer

- Mary Birch, Interim CAO/Director, Legislative and Community Services/Clerk
- David Sundin, County Solicitor
- Local municipalities (Clerks, IT, Records Managers, Treasurers)

## **Conclusion**

The County of Essex could proceed to transition to Laserfiche Cloud independently, within our 2023 budget, in the absence of providing subsidies to the local municipalities. Recognizing that there has been a model of the County providing some level of subsidy to the local Laserfiche Rio costs since 2010, Administration feels that it would be more equitable to assist with the cost of transitioning to Cloud Laserfiche by way of phased subsidies over a two-year period. Similarly, recognizing that Amherstburg and LaSalle are not prepared to move to Laserfiche Cloud at this time, Administration felt it's appropriate to also offer a phased subsidy for incremental costs they will incur to remain with the on-premise version of Laserfiche over a two year period. For the benefit of all our local partners, Administration is proposing the most equitable option.

Laserfiche and ThinkDox recognize the long and good standing relationship that Essex County and all the local municipalities have had and agreed to offer special group pricing for those municipalities wishing to transition now, which has reduced the per-licence cost for Cloud services. This incentive will not be an option at a later date.

Since the Laserfiche Rio platform will not be an option for municipalities within five years, and there are licence package incentives available now, it is advantageous for the County to make the change at this time, as a group, with those who also want to participate. The County is not proposing any subsidy beyond what has been included in this report.

## **Recommendation**

That Essex County Council

- receive the report Migration to Cloud Laserfiche, 2023-0503-LCS-R06-KH;
- authorize entering into a three-year contract with ThinkDox for Laserfiche Cloud services; and
- approve subsidizing the incremental costs for the 7 local municipalities associated with the dissolution of the RIO licence agreement and migration to Laserfiche Cloud, as outlined in Appendix B of report 2023-0503-LCS-R06-KH.



## Approvals

Respectfully Submitted,

*Katherine Hebert*

Katherine Hebert, Manager, Records and Accessibility/Deputy Clerk

Concurred With,

*Mary Birch*

Mary Birch, BA, CMO, Interim Chief Administrative Officer

<b>Appendix Number</b>	<b>Title</b>
Appendix A	Comparison between Laserfiche Rio and Laserfiche Cloud Features
Appendix B	Cloud Cost and Subsidy Spreadsheet
<b>Appendix C</b>	Correspondence from the Town of LaSalle