**2005-615
Final Report**

**Formative Evaluation of PWGSC's
Shared Travel Services Initiative (STSI)**

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Executive Summary

Authority

This formative evaluation of the Shared Travel Services Initiative (STSI) was approved as part of the 2005/06 Multi-year Evaluation Plan and is based on the Evaluation Framework of STSI that was completed in October 2005.

Objective

The objective of this evaluation was to assess PWGSC's progress towards meeting the goals of the STSI. The focus was on the identification of problems being encountered that could compromise the Initiative's effectiveness.

Background

A review of government travel was undertaken by the Treasury Board Senior Advisory Committee (TBSAC) and, in September 2000, Treasury Board of Canada Secretariat's (TBS), Government Travel Modernization Office (GTMO) obtained the endorsement of TBSAC for an 'end-to-end' solution that proposed a government-wide implementation strategy to modernize Government of Canada (GoC) travel processes, services and systems. The Government-Wide Travel Modernization Project was announced in 2001 as a TBS-led joint effort between PWGSC and TBS and became a Major Crown Project in June 2003. Early in 2003, GTMO was renamed the Shared Travel Services Initiative and in December 2003 was transferred to PWGSC, although it remained a joint project of TBS and PWGSC. No consideration was accorded to the long-term operation structure for the travel program.

In 2002 a procurement process was initiated for the provision of an integrated "end-to-end" travel management service and in January 2004, a contract for the delivery of government travel services was awarded to a new supplier, Accenture, and its team of subcontractors, American Express, Concur Technologies and Bell Canada who collectively are known as Travel AcXess Voyage. The project cost was $275 million, which covered payments to Accenture as well as implementation costs for participating departments.

The STSI office in PWGSC has a dual role, management of the major crown project – the IT systems to support STSI, and delivery of an integrated, modern, government-wide travel management system – the engagement of other government departments in this initiative.

The 2005 Federal Budget incorporated the Expenditure Review Committee's (ERC) review of federal spending and associated cost saving measures for departments, and introduced additional fundamental changes to the way that the GoC does business that impact PWGSC. PWGSC

decided that STSI could provide $375 millions towards savings required by the ERC. As a result, adjustments were made to the STSI business model.

When fully operative, it is intended that STSI will provide an array of travel services, through an e-commerce travel solution that will enhance accountability and save the government time and money.

Scope and Methodology

The scope of this engagement was on the aspects of STSI that are within the responsibility of PWGSC. The focus was on the identification of problems being encountered that could compromise the Initiative's effectiveness. The following formative evaluation issues, covering program design and delivery, success, and cost-effectiveness, laid out in the evaluation strategy contained in the October 2005 STSI Evaluation Framework are addressed in this report:

- What mechanisms does STSI have in place to manage and ensure a seamless transition to the new shared travel program?
- Is the Business Case and underlying assumptions valid? Are current and projected uptake levels capable of generating desired benefits as indicated in the current business plan?
- Are departments and agencies engaged and exercising stewardship in regards to the transition to the new shared Travel Program? To what extent is STSI serving as a pathfinder or benchmark for all aspects of the shared services model?
- To what extent has the STSI reduced travellers' and OGDs' administrative costs?

The evaluation methodology used was in conformity with Treasury Board Evaluation Policy and standards, as well as the Audit and Evaluation Branch practices and standards.

Summary of Main Findings

PWGSC has contributed to advancing the travel tool component of the STSI Initiative. While it experienced some delays initially, it has since made significant progress in managing the major crown project and has introduced a suite of travel tools intended to support an integrated, modern, government-wide travel management program. PWGSC has also responded to demands created by the need to generate ERC savings by adapting its approach to STSI. Many mechanisms to manage the transition to a new travel program have been put in place and are functioning.

Because government-wide initiatives require trust, respect, and commitment to a common goal, implementation is very challenging. While stakeholders informed us that they still support a government wide travel program, they also informed us that they have concerns with STSI that has influenced their participation. Stakeholders also told us that the role of both PWGSC and the other government departments in STSI is not clear. Because it was intended as a horizontal, enterprise-wide initiative STSI requires horizontal, enterprise-wide input and recognition. However, the key question of whether PWGSC's STSI is an agent leading departments in a horizontal initiative in which stakeholders share ownership of results and responsibility for the

overall success of the initiative, or whether it is a provider of centralized services which is accountable to provide the most efficient services to departments, is not clear on the part of most stakeholders. Most stakeholder interviewees felt that PWGSC was a provider of centralized services. Further, many noted that they did not feel that STSI was a shared initiative in which they could contribute to and participate in key decisions. The evaluation team noted that, over the last year, STSI has undertaken a number of initiatives that provide stakeholders with opportunities to contribute and participate in STSI, including a Senior Project Advisory Committee (SPAC), co-chaired by TBS, a Commodity Council (at the DG level) and Commodity Teams (at the Director level), and the Inter-departmental Travel User Working Group (ITUWG) at the Director and Manager level. STSI engages in weekly communiqués and conference calls with Senior Full-time Travel Officers (SFTOs) in departments and regular Vanguard department design and configuration meetings.

However, the following areas merit attention: the need to develop/sustain stakeholder engagement and active support; the need to mitigate the risk associated with some user departments' lack of confidence in STSI; and PWGSC's need to shift more focus to travel as a service in terms of commodity management for its clients.

STSI has encountered difficulty in advancing the travel program component of the STSI. This has further influenced the participation of other government departments. For example, in 2003, STSI accepted a loan from the operating reserve. To repay the loan, STSI charges a fee to use the travel program. The fee is supposed to be offset by the savings that departments will realize from using the program. However, because departments perceive that the savings have not been realized, they informed us that they see these charges as unfair, impacting on their programs by paying for services in advance or realizing benefits. Further, they indicated to us that they are not fully satisfied with the service provided and they view the costs to be too high for what they have been getting. While departments acknowledged that operationalizing administrative tools at a government-wide level can be challenging, they also revealed that, within the current context, they felt that they lack efficacy and indicated a lack of confidence in PWGSC and STSI. The indicators show that PWGSC's rollout of STSI to this point has not gained sufficient momentum to establish the government-wide level stewardship needed by this shared initiative. STSI, as an early government-wide shared service initiative, has the opportunity to share its lessons learned with future shared initiatives. However, the evaluation team found no formally established mechanism to capture the learning generated through the STSI experience to-date and make it useful beyond the STSI context.

Stakeholders told us that STSI has not been able to convincingly demonstrate to other government departments that savings are being achieved, although there is evidence to suggest that they are. While data analysis in the early stages of STSI was adequate to measure the success of STSI, these analyses are no longer sufficient. Detailed, credible information is required that demonstrates savings at the departmental level and needs to be communicated to other government departments to enhance their engagement and assure greater participation. The recent introduction of the Expense Management Tool will aid in collecting valuable data. However, even with the EMT, the capacity for comparative assessment to support decisions and demonstrate savings being earned by STSI is limited by the absence of a credible baseline.

While participation in the program has been increasing, it is still well below expected levels. This is perceived to be resulting from delays in getting the project started, as well as insufficient engagement of other government departments because of concerns with the travel program. STSI is delivering the travel tools, but is not yet seen to be delivering the travel program. It has had to respond to requirements for loan payments and ERC savings generation and has not yet convincingly demonstrated the benefits to other government departments. It needs to build departmental enthusiasm and demonstrate that user department efforts and contributions are making a difference. TBS, as holder of the policy and co-chair of the SPAC, also has an important role in government-wide take-up. In large measure, the success of STSI will depend on future uptake levels of STSI tools and that, in turn, will depend, in part, on departmental enthusiasm and active encouragement and monitoring. STSI has not yet been successful at earning the confidence of the other government departments. STSI believes that a number of recent initiatives directed at engaging other government departments will address many of their concerns.

Conclusion

This evaluation recognizes that implementation of government wide initiatives can be very challenging. These challenges have been exacerbated by the fact that since STSI was initially conceived, it has had to adapt to environmental changes both inside government and outside government in the travel industry. This evaluation concludes that some fundamental aspects of program design and execution have been affected by these swift changes.

The stakeholders interviewed considered the STSI to be a good concept. While the Initiative has accomplished much, the evaluation concludes that at the level of the delivery of a horizontal Government-wide shared service, STSI has been challenged in the following three crucial areas:

Cultural Transformation Management: STSI has had difficulty effecting cultural change among other government departments - change that inspires departments to accept, trust, and engage themselves in shared and common service governance and delivery.

Relationship Management: STSI has also had difficulty in establishing itself as a service deliverer, as well as a partner of the government-wide travel function. Lack of clarity between these two roles has created a gap in expectations that has influenced other government departments' perceptions of value added. It is key that STSI continue its recent efforts to build a positive relationship with client departments in order to succeed.

Business Transformation Management: STSI's Business Case (2003) was founded on the following key assumptions:

- world-class tools would be delivered to departments in a timely manner;
- these world-class tools would be integrated to optimize benefits;
- STSI would be able to extract from the industry rebates due to economies of scale;
- baseline metrics together with easily accessible other data would be available at individual levels through to government-wide levels to support transparency and demonstrate improved travel program management; and

▪ STSI would be able to positively influence certain traveller and management behaviours, to support efforts to alter systems, and processes.

STSI was based upon improving the employee travel experience, as well as creating a more efficient system that would generate savings, two principles of modern management and shared services. The solution was seen as an outsourced IT enabled solution comprised of integrated, world-class, "best of breed", easy to use components.

STSI is seen to have been focusing on the IT solution, but not yet the travel solution. STSI has only recently been able to obtain certain of the policy changes necessary for its business case solution to work easily. It has had to respond to requirements for loan repayments and ERC savings generation, and it has been unable to convince many of its stakeholders of the benefits yet to materialize.

Finally, the evaluation has concluded that the success of STSI in meeting its 2006 Business Case drafts and the ERC anticipated savings by the end of 2009-2010 are dependent on the following:

▪ The ability of STSI to influence travelers and departmental travel behaviour i.e. uptake of STSI travel tools;
▪ The ability of the STSI to continue negotiating arrangements with the private sector favourable to the Crown; and,
▪ The ability of the STSI to generate a benefit saving stream in accordance with the ERC schedule.

Recommendations

Consequently, this progress/formative evaluation recommends that the Chief Executive Officer, ITSB responsible for STSI:

1. Ensure there is a tighter integration between the STSI transformational project and a Government of Canada Travel Program in PWGSC, with the engagement of user government departments to be the Travel Program's priority by: being the service delivery authority; managing relationships in more clearly defined lines of accountability; contributing to the cultural transformation to a modern government-wide travel management system and service; providing transparency in travel practices; providing effective processes for the management of government travel information and improved services to employees; and providing savings to departments and ultimately to taxpayers.

2. In this front-runner shared services initiative, clarify and communicate the accountabilities and roles of the various stakeholders in the Travel Program, especially PWGSC's role with respect to provision of efficient services and respect to its role of leading departments when there is shared risk and responsibility in a transformational government-wide horizontal initiative.

3. Assess and communicate the lessons learned to all stakeholders to date in this front-runner shared services initiative, establishing an ongoing horizontal mechanism to do so over the life of the STSI transformational project.

4. Develop a baseline set of measures, including system embedded measures, that can demonstrate achievements and savings of STSI, from year to year over the life of the Travel Program, in a clear and transparent manner to all departments. An updated evaluation matrix, in Appendix G attached, outlines the information that will be needed as well as accountabilities for ensuring the data are available, with STSI taking the lead where its involvement is shown in Appendix G.

1. Introduction

This formative evaluation of the Shared Travel Services Initiative (STSI) was approved as part of the 2005/06 Multi-year Evaluation Plan and is based on the Evaluation Framework of STSI that was completed in October 2005.

The Evaluation Framework report laid out a logic model of STSI that illustrates the objectives and logical chain of activities, outputs and outcomes of STSI as understood at the time of the development of the Evaluation Framework, and a matrix of evaluation issues and indicators for both formative and summative evaluations. The logic model and evaluation matrix are included as Appendices A and B, respectively, of this report.

Since the STSI is considered significant to the PWGSC business strategy, it was considered that it be evaluated at two points and it was proposed that a formative evaluation be conducted in the start-up period to ensure that effectiveness was not compromised and to obtain preliminary information on the STSI's performance. A decision was therefore taken to conduct a formative evaluation starting in 2005-2006 that would provide preliminary information on the STSI's performance, and a summative evaluation at a more mature phase starting in year six (2009) to support departmental analyses of STSI and to facilitate informed decisions about extending the contract with Travel AcXess Voyage for the optional two year period. This document covers the results of the formative evaluation.

1.1   Objective and Scope

The objective of this evaluation was to assess PWGSC's progress towards meeting the goals of the STSI. The focus was on the identification of problems being encountered that could compromise the Initiative's effectiveness. The scope of this engagement was on the aspects of STSI that are within the responsibility of PWGSC.

2. Background

2.1   Origin

The Treasury Board Travel Directive (October 2002) and the Travel Administration Guide[1] govern travel by public servants employed by the Treasury Board. Responsibility for travel administration has been delegated to deputy heads of departments. The Travel Program for the Government of Canada (GoC) was for many years located within PWGSC and was initially a grouping of services provided to public service employees, which dealt with the provision of Travel Agency services along with a directory for Accommodation and Car Rental businesses.

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[1] TBS – Travel Directive (http://publiservice.tbs-sct.gc.ca/pubs_pol/hrpubs/TBM_113/td-dv_e.asp)

In 1995, in the Chapter on Travel and Hospitality, the Auditor General found that the management and accountability for travel within the GoC could be improved. It noted that, with respect to the management of public servant travel, information was not organized for senior management to efficiently assess the need for and costs of travel; more emphasis on a values-driven system may lead to more cost-effective travel and better employee morale; opportunities for automation and streamlining of procedures would have the potential for improving control and reduce the cost of travel administration; and the pursuit of these opportunities required focused efforts and co-operation among central agencies and departments.

A review of government travel was undertaken by the Treasury Board Senior Advisory Committee (TBSAC) and, in September 2000, Treasury Board of Canada Secretariat's (TBS), Government Travel Modernization Office (GTMO) obtained the endorsement of the TBSAC for an 'end-to-end' solution that proposed a government-wide implementation strategy to modernize GoC travel processes, services and systems. The Government-Wide Travel Modernization Project was announced in 2001 as a TBS-led joint effort between PWGSC and TBS and became a Major Crown Project and was renamed the Shared Travel Services Initiative (STSI) in June 2003, while under the leadership of TBS. The Project supported the mandate of TBS and aligned with other TBS led initiatives, including Human Resources (HR) Modernization (workplace improvement), Modern Comptrollership (stewardship) and Shared Services.

2.2 Evolution

A timeline of major events in the history of the STSI is provided in Appendix C.

The plan was that the GTMO at TBS would be working towards an e-commerce travel solution for public service employees intended to enhance accountability and save the government time and money in continued efforts to be more 'employee responsive' and focused on improving service to Canadians.

TBS amended the Travel Policy in May 2001 to reflect the evolving travel environment and the new business principles in government travel management, which are: trust, respect, flexibility, transparency and valuing people. At that time, the contractual arrangement in place with Ryder/BTI for the delivery of travel services was ending in March 2002, with a one-year option remaining while the contract with AMEX for travel card services was ending in December 2002.

In 2002 a procurement process was initiated for the provision of an integrated "end-to-end" travel management service and, in January 2004, a contract for the delivery of government travel services was awarded to a new supplier, Accenture, and its team of subcontractors, American Express, Concur Technologies and Bell Canada, who collectively are known as Travel AcXess Voyage. The "project portion" was $275 million, which included milestone payments to Accenture and departmental implementation costs. This amount did not include transaction fees paid by client departments. It is a 7-year contract with two option years to provide a range of travel services including a full-services travel agency, on-line reservation service, travel expense claim service, travel card service, traveler's reimbursement service, business intelligence capabilities by individual departments and by government as a whole, an employee portal, and an employee traveler service network. The goals and objectives, with performance targets, were

established and indicators formed part of the contract and were to be used by the government to manage the contract.

As an indicator of materiality, the Travel Management project would impact total travel program related costs for the six year period from 2001-02 to 2006-07 which would impact an estimated $18.3 billions in federal government travel expenditures over the course of the nine-year contract 2003-2012.

[*]. Documentation, however, was not found of any review of the existing commercial offerings that could address the bulk of requirements. The decision taken was to go with the solution provided by a consortium of service providers as proposed by Accenture, Inc. The solution was consistent with the GoC's key operating principal involving the adoption of best commercial practices. *Forrester* research indicates that STSI when evaluated has selected "best-of-breed vendors".

The GTMO Project Office at TBS, staffed in early 2003, had planned to begin work with the contractor immediately upon EPA and contract award, but PWGSC refined the Terms and Conditions of the contract, which resulted in delaying the award of the contract from the originally planned June 2003 to January 2004. After the contract was signed, the contractor's resources were brought on stream. GTMO was renamed the Shared Travel Services Initiative and in December 2003 was transferred to PWGSC, although it remained a joint project of TBS and PWGSC. No consideration was accorded to the long-term operation structure for the travel program.

[*]. The $96.2 million travel program related cost for the six year period 2001-02 to 2006-07 was broken down as follows: a procurement cost of $6.6 million to covers procurement costs that would be incurred until the contract was awarded; a $9.8 million operations costs for managing ongoing travel services from 2003-04 to 2006-07; and project cost of $79.8 million spread over the two year period following contract award for implementing the STSI suite of travel related services in all participating departments and agencies influencing the travel behaviours of some 120,000 GoC travelers and managers.

After moving from TBS to PWGSC in December 2003, STSI originally resided in the Service Integration Branch. It was moved to the Acquisitions Services Branch in April 2004 and subsequently to the Information Technology Service Branch (ITSB) in September 2004 where it currently resides.

2.3   Current

When fully operative, it was intended that STSI would offer a total array of travel services, including travel card, web portal, traveler profiles, approver/recommender profiles, administrator profiles, on-line booking, travel agency services, expense management tools, and training and reporting services. At the time of this Formative Evaluation, four key components of the STSI - the Designated Travel Card (DTC), the STSI Travel Portal, the On Line Booking Tool (OBT), and the travel agency services have been implemented. The Expense Management Tool (EMT) is now operational.

In fiscal year 2005-06, the STSI Project Office budgeted expenditures of $9 million and a complement of 62 full-time employees (FTEs), including 15 Travel Operations employees. TBS Common Services Policy identifies the STSI as a Mandatory Common Service delivered by PWGSC to other Departments. [2]

3. Contextual Influences

Placing the STSI in its proper context is important for the development of an understanding of its evolution and its strategic options in the future. A discussion of these environmental elements follows since, during the development of the STSI, a number of events were impacting on the context within which the STSI was evolving.

Significant changes have occurred in both TBS and PWGSC since 2002. PWGSC became involved in a broad modernization and resource-saving process through the government-wide Expenditure Management Review (EMR) and the PWGSC *Way Forward* initiatives. Following the 2003 Federal Budget, in December 2003, the GoC created the Expenditure Review Committee (ERC), a cabinet-level committee responsible for reviewing all federal spending which undertook, over the course of 2004, three major reviews of the spending and operations of the GoC. PWGSC was part of the first round and led the review of procurement and contracting, and was closely involved with reviews of corporate services, and the review, which focused on Common Infrastructure and Service Delivery (CISD).

[*]. While still in its conceptualization stage, at that time, within the shared service approach lay a fundamental shift respecting how internal administrative services would be delivered within the GoC.

The 2005 Federal Budget incorporated the ERC's review of federal spending and the associated cost saving measures for departments, and introduced additional fundamental changes to the way that the GoC does business that continue to impact PWGSC. ERC counted $6.67 billions in savings through Government-wide Efficiencies, $2.59 billions from Procurement. PWGSC decided that STSI could provide $375 millions of the $2.59 billions in Procurement savings required by the ERC (see Appendix F). Adjustments were therefore needed and made to the STSI business model and the allocation of the benefits stream.

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[2] Treasury Board of Canada, Common Services Policy, Appendix E http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/TB_93/csp-psc01_e.asp#58 Date Modified: 2006-01-19

While the concepts and rationale underlying STSI - consolidation together with technologically enabled centralized processing and management - suggested easily attainable savings, nested within are a number of significant challenges of which some have been brought into sharp focus due to the development of STSI in the environmental context described above. These challenges include:

- launching a government-wide shared service;
- business process transformation on an enterprise scale;
- facilitating the evolution of Central Agency policies;
- program management and governance of a complex horizontal administrative program;
- harvesting benefits in a horizontal public sector context;
- public sector/private sector relationships and long-term contract/supplier management for services;
- large scale commodity management in a highly volatile industry environment; and
- capabilities and service levels of e-commerce technology enabled delivery of services.

4. Evaluation Methodology

Formative evaluation issues covering program design and delivery, success, and cost-effectiveness, that were laid out in the evaluation strategy contained in the October 2005 STSI Evaluation Framework, are addressed in this report.

The evaluation methodology used was in conformity with TBS Evaluation Policy and standards, as well as the Audit and Evaluation Branch practices and standards.

In the conduct of this evaluation, the following data sources and methodologies were used:

Document review and data analysis: Documents reviewed included relevant data analysed drawn from STSI documents, Travel AcXess Voyage documents, Government Travel Modernization Office documents, as well Treasury Board documents. Material was drawn from administrative and operational sources and included communiqués, websites, reports, presentations, briefing materials, statue reports, minutes of meetings and records of decision, and business cases, analysis, position papers and research findings. A list of materials consulted is contained in Appendix D.

Consultations with stakeholders: Key informants were consulted either individually or in groups, in person or by telephone and included senior government executives, Assistant Deputy Ministers, Directors General and Directors. A Focus group with Senior Full-Time Travel Officers (SFTOs) was conducted and STSI management was heavily consulted throughout the evaluation project.

5. Formative Evaluation Issues

The Evaluation Framework Report identified issues/questions for both the formative and summative evaluations, as indicated in the evaluation matrix in Appendix B. This formative evaluation deals with the portion of issues/questions identified as formative aspects in the categories of Program Design/Delivery, Success/Impact, and Cost-Effectiveness/Alternatives, with the focus on the identification of problems being encountered that may compromise the Initiative's effectiveness, and lessons learned for the coming implementation stages.

The formative evaluation issues examined and included in this report are:

Design/Delivery:

- What mechanisms does STSI have in place to manage and ensure a seamless transition to the new shared Travel Program?
- Is the Business Case and underlying assumptions valid?

Success/Impact:

- Are current and projected uptake levels capable of generating desired benefits as indicated in the current business plan?
- Are departments and agencies engaged and exercising stewardship in regards to the transition to the new shared Travel Program?
- To what extent is STSI serving as a pathfinder or benchmark for all aspects of the shared services model?

Cost-Effectiveness/Alternatives:

- To what extent has the STSI reduced travellers' and OGDs' administrative costs?

6. Detailed Findings

6.1   Managing the Transition to a New Shared Travel Program

6.1.1   Creating and Operationalizing the Integrated Suite of World Class Travel Tools

The contract to create the Travel Tools was awarded in January 2004. Within 90 days, the travel card program and Call Centre Travel Agency were executed. The online booking tool (OBT) and government-wide travel portal became operational in Fall 2004, and the online Expense Management Tool (EMT) has recently become operational.

To ensure success in achieving these important milestones, STSI developed a well-articulated project management framework that included the following elements:
- holding the contractor accountable for the delivery of agreed upon milestones;
- piloting of tools in 10 lead departments;

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- accepting and acting upon feedback on the results of the piloting of tools;
- establishing a communications and training plan; and
- monitoring of risks regularly.

Relative to the 2003 STSI Business Case, the STSI has experienced a budget cost overrun of about $10M. This has been addressed through a reallocation of resources. As at March 31, 2006, the STSI cumulative planned budget expenditure is about $45M. STSI reports that the overall cumulative STSI project is about $18M under expended due to schedule slippages, payment milestones not being met, and under resourcing of the STSI project office as per the plan.

6.1.2   Engaging other departments in the transition to Shared Travel Services

STSI has experienced difficulty in managing the transition to shared travel services. Many mechanisms to manage the transition to a new travel program have been put in place and are functioning. However, the following areas merit attention: the need to develop/sustain stakeholder engagement and active support; the need to mitigate the risk associated with user department's lack of trust in STSI; and PWGSC's need to shift more focus to travel as a service in terms of commodity management for its clients.

Because government-wide initiatives require trust, respect, and commitment to a common goal, implementation is very challenging. While stakeholders informed us that they still support a government wide travel program, they also informed us that they have concerns with STSI that has influenced their participation. Stakeholders told us that the role of both PWGSC and the other government departments in STSI is not clear. Because it was intended as a horizontal, enterprise-wide initiative STSI requires horizontal, enterprise-wide input and recognition. However, the key question of whether STSI is an agent leading departments in a horizontal initiative in which they share ownership of results and responsibility for the overall success of the initiative, or whether it is a provider of centralized services which is accountable to provide the most efficient services to departments, is not clear on the part of most stakeholders. Most stakeholders interviewed felt that PWGSC was a provider of centralized services. Further, many noted that they did not feel that STSI was a shared initiative in which they could contribute to and participate in key decisions. Clarification of all participants' roles is important to ensuring common expectations.

Over the last year, STSI management has revitalized a horizontal Senior Project Advisory Committee (SPAC), which has re-opened important lines mechanisms to maintain a high level of engagement of the user departments. The recent revitalization of this Committee is a positive step and is important to promote trust. While Senior Financial Travel Officers were created in each department, STSI was not able to successfully establish mechanisms to provide them operational support or the visibility within their home departments needed to manifest and sustain the anticipated strong presence. Including the SPAC, co-chaired by TBS, a Commodity Council (at the DG level), Commodity Teams (at the Director level), and the Inter-departmental Travel User Working Group (ITUWG) at the Director and Manager level are active. STSI engages in weekly communiqués and conference calls with Senior Full-time Travel Officers (SFTOs) in departments and regular Vanguard department design and configuration meetings.

Stakeholders also told us that they were not satisfied with the levels of service provided by and the costs associated with what they are getting in STSI. They indicated that they would be more satisfied accepting a shared travel service if it was efficient, user friendly, and was, at a minimum, cost neutral.

We were informed by stakeholders that STSI did not successfully explain the standard practices in the travel management industry and as a result caused inappropriate expectations. A gap exists between what departments are expecting from STSI and what they are receiving, and between what STSI and PWGSC say that they are communicating, and what departments are understanding.

Overall, STSI is seen to have directed more of its attention to IT project implementation over its role as a travel program and is seen as a travel program whose most important stated goal is to save money. The need to achieve the additional ERC savings became a greater driver and, since these savings were taken from departments in advance, created resentment in some client departments.

To address these concerns, STSI needs to build departmental enthusiasm and demonstrate that user department efforts and contributions are making a difference. In large measure, the success of STSI as a government wide travel program and to generate the desired savings will depend on future uptake levels of STSI tools and that, in turn, will depend, in part, on departmental enthusiasm and active encouragement and monitoring. STSI has not yet been successful at eradicating the lack of confidence in STSI that exists on the part of some client departments.

6.2   STSI Business Case

6.2.1   Validity of STSI Business Case Assumptions

STSI's 2003 Business Case was updated in 2005 and again in 2006 to reflect important external changes such as, changes in travel patterns, and internal changes, such as impacts in delays in operationalizing travel tools and lower than expected participation by other government departments. Changes in financial assumptions were also updated.

Our review of the Business Cases identified that the relationships amongst the key elements are consistently applied. The forecasts and estimates became more sophisticated over time and were based on data that was increasingly more relevant. Our review of the Business Cases revealed an apparent change in focus over time. The perspective moves from the manager and traveler in 2003, to the systems and the tools in 2005, and to savings and the enterprise in 2006.

At the core of the 2003 Business Case is service to travelers, and improving the management of GoC travel and travel related expenditures – recognizing that spending on travel is a significant expenditure of the GoC. It positions the STSI as a way to reduce travel costs, improve service to

travelers, and to provide better travel information to decision makers. The key elements impacting the viability of the 2003 Business Case were:

- predictability of the travel market environment;
- timely delivery of quality travel tool components;
- the ability to affect traveler behavious and influence participation rates; and the
- ability to negotiate arrangements with the private sector favourable to the Crown.

In 2005, the focus appears to shift to operationalizing the tools and maximizing uptake; and in 2006 the intent is to optimize the savings potential of STSI. These Business Cases also acknowledged the impact on STSI of an overall reduction in projected travel spending, as well as a reduction in net benefits due to delays in benefit realization, a reduced potential for savings as a result of lower travel spending, and higher implementation costs. The key elements impacting the 2006 Business Cases were the:

- ability to influence travelers and departmental travel behaviour i.e. uptake;
- ability to continue to negotiate arrangements with the private sector favourable to the Crown; and
- ability to generate savings according to the ERC schedule.

Also evident is a shift in the mechanisms through which savings are expected be generated. In 2003, savings were expected to realized equally through 'hard savings' and 'soft savings': 'hard savings' being those savings derived from negotiations with the private sector (discounts, Travel Card Rebates, and booking fees); and, 'soft savings' being those savings generated as a result of efficiencies that would reduce the costs of administering travel. In 2006, the savings are now expected to be delivered from 'hard savings'. STSI advises that the actual 2006 Business Case was written to meet the TBS/EMS Business Case template for investment funding, which necessitated a shift to savings by definition.

The need for the STSI to generate benefit savings according to the ERC schedule has become paramount for the STSI Project. It has clearly shifted the focus to maximizing the savings generation capability within the 2005-2006 to 2009-2010 timeframe. Thus, it is now more critical that the travel system tools be successfully operating as soon as possible and used as often as possible.

As the Business Cases clearly identify, the risk associated with moving to a government wide travel program and achieving additional ERC savings, now rests almost entirely with the STSI and PWGSC. Participation rates are clearly identified as a key element to success however they are dependent on the behaviours of travelers in other departments. TBS, as holder of the policy and co-chair of SPAC, has an important role to play in government-wide take-up of the tools. While TB Common Services Policy already identifies the STSI as a Mandatory Common Service delivered by PWGSC to other Departments, if departments and individuals do not chose to participate in the STSI program in a timely manner, STSI may not be able to achieve the success outlined in the Business Cases or generate the required ERC savings.

6.2.2 Uptake Levels and Generation of Desired Benefits

The STSI 2005 and 2006 Business Cases established the link between the uptake levels of the suite of travel tools and the capacity to generate benefits through the assumption that certain traveller and management behaviours could be positively influenced over time. [*]:

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The actual OBT uptake rate in 2003-2004 and 2004-2005 was 2% and 5% respectively rather than the originally projected 30% and 60%. The 2003-2004 uptake was under a previous contract, where the previous OBT was not pushed or promoted, and there were no transaction fees savings attributed to its usage. In 2004-2005 the tool was only soft-launched in late November 2005 and was 7 months late. Currently in 2005-2006 average adoption of the OBT is 22.4%. The projected adoption for 2005-2006 was 80%. Where the Deputy Ministers of PWGSC and CFIA have mandated the use of OBT in their organizations, usage in their respective departments is over 50%. OBT take-up rates as of March 2006 are displayed in Appendix H.

Currently in 2005-2006 the use of the Departmental Travel Card has achieved a GoC population penetration of approximately 23%. The electronic expense management tool has recently become operational.

The availability of the tools as originally scheduled is one factor affecting take-up. A second factor is the ability of STSI to positively influence the behaviours of travellers and management. There is a need to structure a credible value proposition that will align the interests of the individual travellers, with the interests of the departments, and the interests of the enterprise – essentially ensuring that benefits are clearly attractive to all parties from all perspectives.

The evaluators are not able to conclude on the validity of the underlying business case assumptions, nor the capability of projected levels of participation to generate desired benefits.

6.3 Opportunities to Benchmark and Exercise Stewardship

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The evaluation team was not able to conclude that STSI possesses enough of the requisite characteristics of a 'shared service model ' listed in the recent report of the Corporate Administrative Services Review (Final Version, January 31, 2005) for management to be able to use STSI to benchmark the shared service concept as originally envisioned. For PWGSC, STSI's lessons learned will be of great importance for the future. However, the evaluation team found no formally established mechanism to harvest the knowledge and make it useful beyond the STSI context.

The evaluation team has observed that the evolution of STSI to date demonstrates that horizontal initiatives may be far more complex than they initially appear conceptually. Difficulty has been encountered by STSI in gaining the sustained support of the multiple layers of stakeholders

involved in managing and executing travel. This was conveyed in the feedback to the evaluation team revealing discordance in the understanding of expectations of STSI among clients and service deliverers. With respect to stewardship of public resources, the STSI has definitely drawn attention to travel. The tenets of STSI are provoking the management community on the notion of stewardship at the enterprise level, aimed for over a long-term horizon. The evaluation team has assessed that the notion of collective stewardship has not yet been fully adopted.

6.4   Extent of Reduction of Travel and Administrative Costs

Departments interviewed insist that that under STSI they incur more booking costs related to travel than in the past. However, this may not actually be the case. Before STSI, under the previous travel agency contract, fees of approximately $38/trip were charged to and paid by PWGSC and recouped through volume rebates and commissions. Departments were not aware of these charges, but these charges were, of course, being paid. On one occasion at least, in 1999, PWGSC distributed unused rebates to departments once it had covered all transaction fees. By 2003/04, however, very significant structural changes had occurred in the travel industry. No longer were substantial rebates and commissions being paid, but rather, transaction fees were being charged and by 2005-06, it became common practice for the traveling public to be charged for their bookings made through a travel agent. Now with STSI, in keeping with modern management of attributing costs to direct users and to demonstrate transparency, the current policy requires that departments pay the transaction fees that were always incurred and paid by PWGSC, but were hidden to them. STSI holds that, overall, these charges have been reduced. A demonstration of this assertion, including an explanation of methodology would be welcomed by client departments.

In addition, when first initiated, STSI, participating departments and TBS, accepted an arrangement in 2003 for a $19 million loan from the operating reserve to STSI to be repaid at the interest rate of 3.69% annually, [*3]. The charge to departments is in place, but departments perceive that the savings have yet to manifest in a tangible fashion in their expenditures. Departments informed us that they see these charges as an unfair levy applied collectively by STSI, PWGSC and TBS to the detriment of their own program delivery. STSI has not responded with a sufficiently rectifying communications effort. This has resulted in a souring of relationships, development of mistrust, and PWGSC's perceived lack of cooperation from client departments, since the STSI is calling for DM mandatory directives for STSI component adoption.

All client departments that participated in this evaluation, either through senior manager interview or SFTO participation in the focus group session, were requested to provide any metrics on departmental savings that they had been collecting or compiling to the evaluation. Very little comparative expenditure data (time period or transaction based) is being compiled, collected or analyzed. The evaluation team observed that rough, anecdotal estimates were being put forward by departments to assert that they are incurring increased costs.

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STSI management continues to produce future cost reduction estimates, and provide Business Reviews to clients showing savings amounts. The evaluation was not able to assess this, since the costs for the evaluation team to originate/derive comprehensive data across client departments were determined to be prohibitive within the parameters of this formative evaluation. While STSI has established information baselines to support the business case, information baselines must be established by STSI so that credible evidence of benefits and savings being earned by STSI can be understood by all parties.

In terms of the two kinds of savings that were expected to accrue through STSI, i.e.'hard savings' and 'soft savings', Vanguard departments have now estimated that STSI processes will generate more cost and time requirements for administering travel processes, and not less. STSI management acknowledges that any savings reported for ERC purposes are now based solely on 'hard savings'.

7. Conclusions

This evaluation recognizes that implementation of government wide initiatives can be very challenging. These challenges have been exacerbated by the fact that since STSI was initially conceived, it has had to adapt to environmental changes both inside government and outside government in the travel industry. This evaluation concludes that some fundamental aspects of program design and execution have been affected by these swift changes.

The stakeholders interviewed considered the STSI to be a good concept. While the Initiative has accomplished much, the evaluation concludes that at the level of the delivery of a horizontal Government-wide shared service STSI has been challenged in the following three crucial areas:

Cultural Transformation Management: STSI has had difficulty effecting cultural change among other government departments - change that inspires departments to accept, trust, and engage themselves in shared and common service governance and delivery.

Relationship Management: STSI has also had difficulty in establishing itself as a service deliverer, as well as a partner of the government-wide travel function. Lack of clarity between these two roles has created a gap in expectations that has influenced other government departments' perceptions of value added. It is key that STSI continue its recent efforts to build a positive relationship with client departments in order to succeed.

Business Transformation Management: STSI's Business Case (2003) was founded on the following key assumptions:

- world-class tools would be delivered to departments in a timely manner;
- these world-class tools would be integrated to optimize benefits;
- STSI would be able to extract from the industry rebates due to economies of scale;
- baseline metrics together with easily accessible other data would be available at individual levels through to government-wide levels to support transparency and demonstrate improved travel program management; and

- STSI would be able to positively influence certain traveller and management behaviours, to support efforts to alter systems, and processes.

STSI was based upon improving the employee travel experience, as well as creating a more efficient system that would generate savings, two principles of modern management and shared services. The solution was seen as an outsourced IT enabled solution comprised of integrated, world-class, "best of breed", easy to use components.

STSI is seen to have been focusing on the IT solution, but not yet the travel solution. STSI has only recently been able to obtain certain of the policy changes necessary for its business case solution to work easily. It has had to respond to requirements for loan repayments and ERC savings generation, and it has been unable to convince many of its stakeholders of the benefits yet to materialize.

Finally, the evaluation has concluded that the success of STSI in meeting its 2006 Business Case drafts and the ERC anticipated savings by the end of 2009-2010 are dependent on the following:

- The ability of STSI to influence travelers and departmental travel behaviour i.e. uptake of STSI travel tools;
- The ability of the STSI to continue negotiating arrangements with the private sector favourable to the Crown; and,
- The ability of the STSI to generate a benefit saving stream in accordance with the ERC schedule.

8. Recommendations

Consequently, this progress/formative evaluation recommends that the Chief Executive Officer, ITSB responsible for STSI:

1. Ensure there is a tighter integration between the STSI transformational project and a Government of Canada Travel Program in PWGSC, with the engagement of user government departments to be the Travel Program's priority by: being the service delivery authority; managing relationships in more clearly defined lines of accountability; contributing to the cultural transformation to a modern government-wide travel management system and service; providing transparency in travel practices; providing effective processes for the management of government travel information and improved services to employees; and providing savings to departments and ultimately to taxpayers.

2. In this front-runner shared services initiative, clarify and communicate the accountabilities and roles of the various stakeholders in the Travel Program, especially PWGSC's role with respect to provision of efficient services and respect to its role of leading departments when there is shared risk and responsibility in a transformational government-wide horizontal initiative.
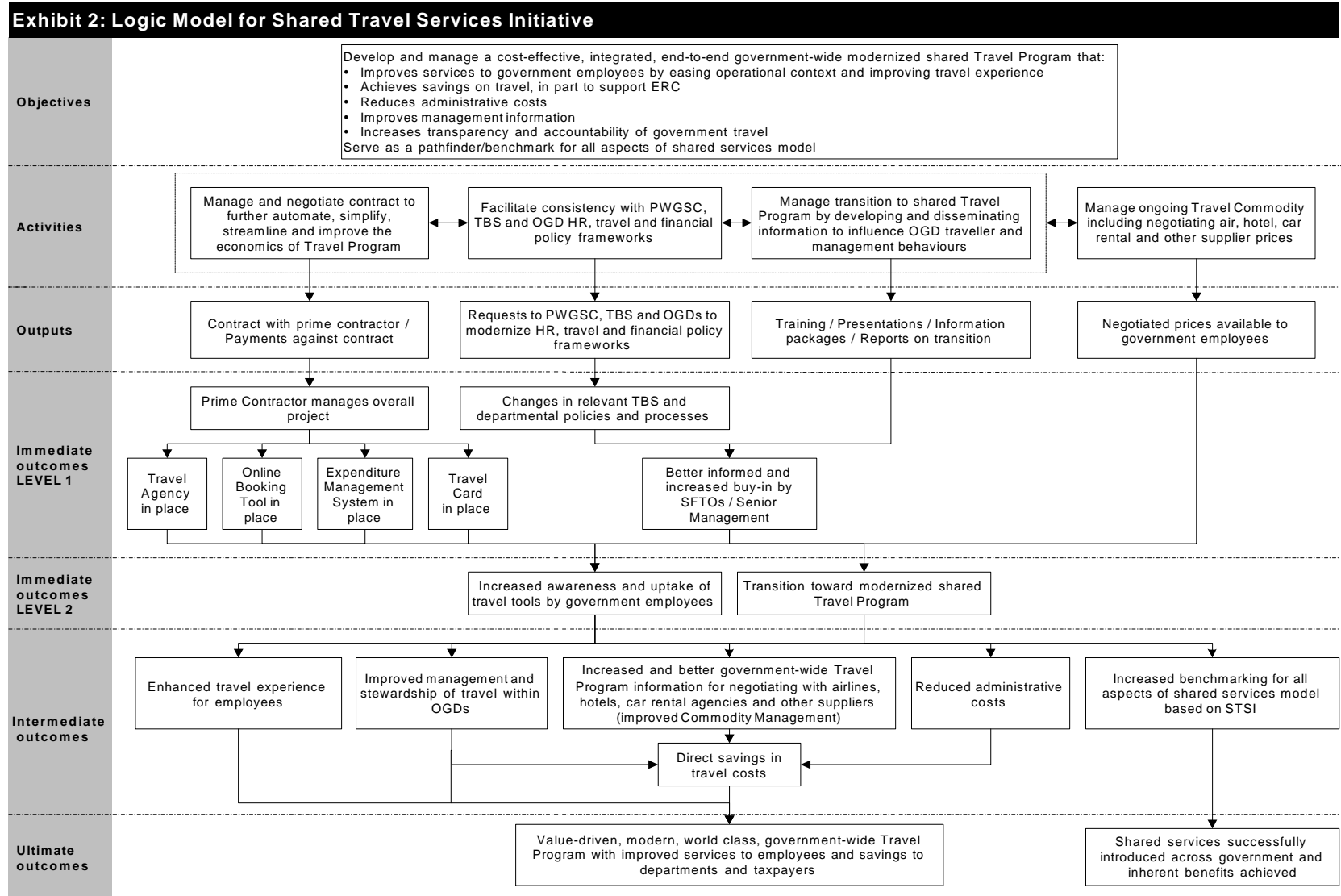
3. Assess and communicate the lessons learned to all stakeholders to date in this front-runner shared services initiative, establishing an ongoing horizontal mechanism to do so over the life of the STSI transformational project.

4. Develop a baseline set of measures, including system embedded measures, that can demonstrate achievements and savings of STSI, from year to year over the life of the Travel Program, in a clear and transparent manner to all departments. An updated evaluation matrix, in Appendix G attached, outlines the information that will be needed as well as accountabilities for ensuring the data are available, with STSI taking the lead where its involvement is shown in Appendix G.

Appendix A: Logic Model for STSI

Exhibit 2: Logic Model for Shared Travel Services Initiative

Objectives	Develop and manage a cost-effective, integrated, end-to-end government-wide modernized shared Travel Program that: • Improves services to government employees by easing operational context and improving travel experience • Achieves savings on travel, in part to support ERC • Reduces administrative costs • Improves management information • Increases transparency and accountability of government travel Serve as a pathfinder/benchmark for all aspects of shared services model

Activities

- Manage and negotiate contract to further automate, simplify, streamline and improve the economics of Travel Program
- Facilitate consistency with PWGSC, TBS and OGD HR, travel and financial policy frameworks
- Manage transition to shared Travel Program by developing and disseminating information to influence OGD traveller and management behaviours
- Manage ongoing Travel Commodity including negotiating air, hotel, car rental and other supplier prices

Outputs

- Contract with prime contractor / Payments against contract
- Requests to PWGSC, TBS and OGDs to modernize HR, travel and financial policy frameworks
- Training / Presentations / Information packages / Reports on transition
- Negotiated prices available to government employees

Immediate outcomes LEVEL 1

- Prime Contractor manages overall project
- Changes in relevant TBS and departmental policies and processes
- Travel Agency in place
- Online Booking Tool in place
- Expenditure Management System in place
- Travel Card in place
- Better informed and increased buy-in by SFTOs / Senior Management

Immediate outcomes LEVEL 2

- Increased awareness and uptake of travel tools by government employees
- Transition toward modernized shared Travel Program

Intermediate outcomes

- Enhanced travel experience for employees
- Improved management and stewardship of travel within OGDs
- Increased and better government-wide Travel Program information for negotiating with airlines, hotels, car rental agencies and other suppliers (improved Commodity Management)
- Reduced administrative costs
- Increased benchmarking for all aspects of shared services model based on STSI
- Direct savings in travel costs

Ultimate outcomes

- Value-driven, modern, world class, government-wide Travel Program with improved services to employees and savings to departments and taxpayers
- Shared services successfully introduced across government and inherent benefits achieved

Appendix B: Evaluation Matrix

Exhibit 3 - Evaluation Matrix for the Shared Travel Services Initiative			
Evaluation Issues	**Indicators**	**Formative Evaluation**	**Summative Evaluation**
RELEVANCE			
1. Is STSI consistent with PWGSC priorities and its Commodity Management role?	▪ Referenced in Departmental Performance Reports ▪ Existence of MOU delineating TBS/PWGSC accountabilities ▪ Part of speeches made by the Deputy Minister/Minister ▪ Adequate management of the travel commodity		✓
2. Is STSI a priority for TBS/Office of the Comptroller General?	▪ Expressed commitment to mandatory use ▪ Policies and directives adjusted to encourage uptake by travelers ▪ Negotiations with Unions ▪ Advisory/Steering Committee providing active leadership		✓
DESIGN / DELIVERY			
3. What impact did contract design, bid solicitation process and evaluation have on the STSI project team's capacity to develop and implement a modern, cost-effective Government travel service?	▪ Timeliness of contractor's deliverables ▪ Number and type of contract amendments ▪ Fluid partnership with contractor ▪ Adequate resources in place (human, financial) to manage the contract ▪ Products are the best available ▪ Savings to government ▪ Expectations are clearly stated and shared with stakeholders ▪ Information is readily accessible and communicated ▪ Ethical considerations are embedded in decision-making aspects of governance		✓

Exhibit 3 - Evaluation Matrix for the Shared Travel Services Initiative			
Evaluation Issues	**Indicators**	**Formative Evaluation**	**Summative Evaluation**
4. What mechanisms do STSI have in place to manage and ensure a seamless transition to the new shared Travel Program?	▪ Adequate project/program structure, governance and project management frameworks in place ▪ Authorities, policies, infrastructure (Secure Channel), and other tools in place ▪ Adequate budget and staffing ▪ Adequate communication with OGDs ▪ Timeliness of implementing the new shared service Travel Program ▪ Variance on schedule of implementation ▪ Number and type of complaints ▪ Mechanism to effectively address complaints ▪ Comprehensive reviews of adapting existing travel systems were carried out	✓	
5. Is the Business Case and underlying assumptions valid?	▪ 2005 Business Case consistent with current activities and context (costs, benefits, savings, funding) ▪ [*] consistent with current activities and context (costs, benefits, savings, funding)	✓	✓
SUCCESS / IMPACT			
6. Are current and projected uptake levels capable of generating desired benefits as indicated in the current business plan?	▪ Uptake of travel tools ▪ Documented benefits ▪ 2005 Business Plan	✓	

Exhibit 3 - Evaluation Matrix for the Shared Travel Services Initiative			
Evaluation Issues	**Indicators**	**Formative Evaluation**	**Summative Evaluation**
7. Are departments and agencies engaged and exercising stewardship in regards to the transition to the new shared Travel Program?	▪ Uptake of Travel Program tools within departments ▪ Departmental policies and procedures consistent with STSI implementation ▪ Deputy Minister/Assistant Deputy Minister attendance at relevant committees ▪ Referenced in Departmental Performance Reports ▪ Department integrating STSI solution ▪ SFTOs engaged ▪ Communiqués/info sessions to employees ▪ Change management strategy	✓	✓
8. To what extent has the STSI improved the travel services to government employees and enhanced the travel experience for public servants?	▪ Awareness of travel suite of tools by employees ▪ High satisfaction rates of the suite of tools (user friendly) ▪ Number of complaints ▪ Employees spend less time arranging travel ▪ Uptake of tools ▪ Training strategy in place ▪ Number and type of complaints		✓
9. Is the increased travel information supporting better travel decisions within OGDs?	▪ Benefits, including reduced service fees, associated with better planning and decisions that are being made with improved data ▪ SFTOs and senior managers using improved information in decision-making ▪ Documented savings by OGDs		✓

Exhibit 3 - Evaluation Matrix for the Shared Travel Services Initiative			
Evaluation Issues	**Indicators**	**Formative Evaluation**	**Summative Evaluation**
10. To what extent has STSI increased transparency and accountability of travel carried out by employees within OGDs?	▪ Senior managers, SFTOs, travelers and travel administrators have a clearer understanding of the costs of traveling ▪ Rate of uptake of STSI tools ▪ Compliance with travel regulations ▪ Delinquency in card payment ▪ Reduced number of changes to travel plans and service fees ▪ Proportion of Canadians who believe that Government Travel is value driven ▪ Comparison to industry standards (based on Commodity Council and on best practices of Fortune 500) and other jurisdictions		✓
11. To what extent is STSI serving as a pathfinder or benchmark for all aspects of shared services model?	▪ Documented cases of other shared services benefiting from STSI's experience (sharing lessons learned) ▪ Presentations requested by other shared service initiatives, and/or inquiries received ▪ The risks of this form of travel program delivery are adequately defined and controllable	✓	✓
COST-EFFECTIVENESS / ALTERNATIVES			
12. To what extent has STSI enabled the Government to achieve net savings in actual travel costs and support ERC?	▪ Savings realized and acknowledged by ERC ▪ GoC has sufficient information to negotiate better prices from travel suppliers ▪ Canadians getting value for their tax dollars		✓
13. To what extent has the STSI reduced travelers' and OGDs' administrative costs?	▪ Amount of time spent by employees, travel administrators and financial officers on travel arrangements ▪ Uptake of STSI tools ▪ Documented savings	✓	✓
14. Does STSI remain affordable	▪ Fair and reasonable cost structure ▪ Harvestable net benefits		✓

Appendix C: STSI Timeline

Date	Event
1995	In the Chapter on Travel and Hospitality, the Auditor General found that the management and accountability for travel within the GoC could be improved.
1999	PWGSC distributed unused rebates to departments once it had covered all transaction fees.
2000	With the imminent conclusion of the Ryder/BTI contract, the expectations were essentially, at minimum, to replace what currently existed.
2000	A review of government travel was undertaken by the Treasury Board Senior Advisory Committee (TBSAC).
2000 September	TBS' Government Travel Modernization Office (GTMO) obtained the endorsement of the TBSAC for an 'end-to-end' solution that proposed a government-wide implementation strategy to modernize GoC travel processes, services and systems.
2001	The Government-Wide Travel Modernization Project was announced as a Major Crown Project and as a joint effort between PWGSC and TBS. The Project supported the mandate of TBS and aligned with other TBS led initiatives, including Human Resources (HR) Modernization (workplace improvement), Modern Comptrollership (stewardship) and Shared Services.
2001 May	TBS amended the Travel Policy to reflect the evolving travel environment and the new business principles in government travel management, which are: trust, respect, flexibility, transparency and valuing people.
[*]	
2001	STSI was based upon "Improved employee travel experience." as well as savings, the principle of modern management and shared services.
2002 March	Contractual arrangement in place with Ryder/BTI for the delivery of travel services was ending, with a one-year option remaining.
2002	PWGSC was involved in a broad modernization and resource-saving process through the government-wide Expenditure Management Review

Date	Event
	(EMR) and the PWGSC *Way Forward* initiatives.
2002	A procurement process was initiated for the provision of an integrated "end-to-end" travel management service.
2002 May	An RFP was issued for a government-wide travel solution based on "best of breed".
2002 October	The Treasury Board Travel Directive and the Travel Administration Guide govern travel by public servants employed by the Treasury Board, with responsibility for travel administration delegated to Deputy Heads. The Travel Program for GoC was for many years located within PWGSC. The TBS Travel Directive of October 1, 2002, developed jointly by public servant bargaining agent representatives and the GoC representatives to the National Joint Council, and up for re-negotiation in 2007, lays out the principles that are the cornerstone of managing government business travel and that guide employees and managers in achieving fair, reasonable and modern travel practices across the public service.
2002 December	Contract with AMEX for travel card services was ending in December 2002.
2003 early in year	TBS GTMO Project Office staffed up in anticipation of beginning to work with the contractor immediately upon EPA and contract award.
2003 June	GTMO renamed STSI by TBS. [*] [*] [*] Business Case presented an investment proposal concerning the management of travel in the GoC, including operationalizing an integrated suite of travel tools consisting of: a travel card, web portal, on-line booking, travel agency services, expense management tools, and training and reporting services. These services would be provided through a $96.2 million 7-year contract with two option years (spanning fiscal years 2003/04 to 2011/12) with a private sector consortium. GTMO/TBS, PWGSC and departments agreed to an arrangement for a $19 million loan from the TBS Vote 1 Operating Expenditures to GTMO to be repaid at the interest rate of 3.69% annually, [*] [*]

Date	Event
	[*]
2003 July	Originally planned start date for contract. PWGSC refined the Terms and Conditions of the contract resulting in delaying the award of the contract until January 2004.
2003 October	Anticipated implementation of Designated Travel Card (DTC), Travel Agency, OBT and Travel Portal.
2003 December	STSI was transferred to PWGSC/Service Integration Branch (SIB) although it remained a joint project of TBS and PWGSC.
2003 December	Following the 2003 Federal Budget, the GoC created the Expenditure Review Committee (ERC), a cabinet-level committee responsible for reviewing all federal spending which undertook, over the course of 2004, three major reviews of the spending and operations of the GoC.
2004 January	The contract for the delivery of government travel services was awarded to a new supplier, Accenture, and its team of subcontractors, American Express, Concur Technologies and Bell Canada, who collectively are known as Travel AcXess Voyage.
2004	ERC carried out three major reviews of the spending and operations of the GoC. PWGSC was part of the first round and led the review of procurement and contracting, and was closely involved with the other two reviews.
2004 March	[*]. While still in its conceptualization stages within this shared service approach lay a fundamental shift respecting how internal administrative services would be delivered within the GoC.
2004 April	DTC and Travel Agency implemented.
2004 July	Anticipated implementation of EMT testing by Vanguard Departments.
2004 November	OBT and Travel Portal implemented.
2005 January	Key characteristics of a 'shared service model' were described in the final version of the report of the Corporate Administrative Services Review. This evaluation assessed STSI against these key characteristics.
2005 April	STSI moved to Acquisitions Branch, PWGSC
2005 June	STSI moved ITSB, PWGSC.
2005 July	STSI began 2005 Business Case Revalidation Two-Year Update, which

Date	Event
	remained in draft format and reflected the views of user departments that soft savings will not result through STSI. The focus appears to shift to operationalizing the tools and maximizing uptake from the focus in 2003 Business Case, which was to service travelers and improving the management of the travel spend. This draft of the Business Case established the link between uptake levels of the suite of travel tools and the capacity to generate benefits through the assumption that certain traveller and management behaviours could be positively influenced over time.
2005 October	Evaluation Framework of STSI was completed and tabled at the PWGSC Audit, Assurance and Ethics Committee (AAEC).
2005	Federal Budget incorporated the ERC's review of federal spending and the associated cost saving measures for departments. ERC harvests STSI savings from departments before such savings are demonstrated.
2005 December	Production test of EMT by the seven Vanguard departments began.
2006 May	Updated Business Case Draft for Review version 1.95 completed. This version of the Business Case Draft incorporates and builds upon actual data (the lower than anticipated direct travel spend) and considers the impact of project delays in operationalizing travel tools and the resultant lower than anticipated take up rates. The analysis is more detailed and more sophisticated. There is modulation of the original metrics to reflect better information. 1.95 reiterates the views of user departments that soft savings will not result through STSI. A very specific goal of the 1.95 has been to make reasonable assumptions such that $375 million in 'hard savings' net of investment costs will be generated over the five-year ERC period and to state any specific prerequisites that must be in place and/or actions that must be undertaken in order for the ERC target to be met. 1.95 primarily lays out ERC savings provided by commodity management based savings.
2006 June	Wave 1 of EMT implemented.
[*]	
[*]	

Date	Event
2007 March	EMT is to be implemented across all departments.

Appendix D: Principal Documents Consulted

1995 Report of the Auditor General of Canada – Chapter 7 – Travel and Hospitality;

2004 Corporate Travel Card Benchmark Survey, RPMG Research Corporation http://usa.visa.com/download/corporate/resources/travel_card_benchmark_exec.pdf;

2005 Report of the Auditor General of Canada – Chapter 4 – Managing Horizontal Initiatives;

American Express Corporate Meeting Solutions – Meetings Expense Management Optimization 28 July 2005;

Assessment of the PWGSC Shared Travel Services Initiative, Forrester Consulting, November 7, 2005;

Corporate Administrative Services Review, Final Version January 31, 2005, Treasury Board of Canada Secretariat http://www.tbs-sct.gc.ca/spsm-rgsp/cas-sam/cas-sam_e.asp;

Daily Travel & Tourism Newsletter http://www.traveldailynews.com;

Departmental Travel Group Updates to Staff;

Expenditure Review for Sound Financial Management, Budget 2005, Finance Canada, http://www.fin.gc.ca/budget05/booklets/bkexpe.htm;

Fine tuning shared services – It's a different road in the public sector, Toby Fife, CIO Canada Government Review January/February 2006 Vol 8 Issue 1 pgs 16-18;

Government of Canada Commodity Management Framework Guidance Document, Version 5.7 For Discussion, July 2005, internal to PWGSC;

Governing by Network, The New Shape of the Public Sector, Stephen Goldsmith, William D. Eggers, The Brookings Institution, 2004;

Implementing Shared Services in the Public Sector: Lessons for Success, Carolyn Farquhar, Jennifer M. Fultz, Andrew Graham, Briefing November 2005, The Conference Board of Canada;

Partnership-based governance: lessons from IT management, Helen Jelich, Robert Poupart, Richard Austin and Jeffery Roy, Optimum, The Journal of Public Sector Management, vol 30 no. 1 pg 49 to 55;

Presentations to Vanguard and Non-Vanguard Departments;

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Public Works and Government Services Canada, Departmental Performance Report 2004-2005;

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PWGSC Deputy Minister e-mail to staff, 3 November 2005, Shared Travel Service Initiative (STSI) – A Call to Action;

Reporting on Horizontal Initiatives, Treasury Board of Canada Secretariat, http://www.tbs-sct.gc.ca/rma/dpr/03-04/kickoff/hi-ih_e.asp;

Request for Proposal, Government Travel Modernization Services, Solicitation No 24062-01SD01/C, September 4, 2002;

Senior Project Advisory Committee and Commodity Council – Presentation Materials, Terms of Reference, Agendas, Records of Decisions;

Service Transformation - Taking the Next Steps Together, Heather A. Smith, Lac Carling IX Report, May 15-17, 2005;

STSI Status Briefing Materials, Minutes of Decision Process Meeting;

STSI Policy Changes and Exemptions: Financial Impact version 1.2 as of August 4, 2005;

STSI Combined Risk-Risk Management Plan 11 August 2004;

STSI Dashboard;

STSI Web Site – The Shared Travel Services Initiative: Modernizing Government Travel http://gtmo.gc.ca/about_stsi_main.shtml Last modified: 2005-01-31;

STSI Fact Sheets;

STSI Business Case Revalidation Two-Year Update Draft 1.3a 13 October 2005;

STSI Business Case - Draft for Review version 1.7a 21 April 2006;

STSI 2006 Updated Business Case version 1.95 15 May 2006;

System Evaluation and Usability Engineering, Peter Hyland http://www.uow.edu.au/~phyland/PHUse.htm

TeamAcXess Monthly Communications and Marketing Plans and Strategy;

The Expenditure Review Committee: A Catalyst for Modernizing Management Practices http://www.tbs-sct.gc.ca/spsm-rgsp/media/0324_e.asp?printable=True;

The Shared Travel Services Initiative (STSI) Benefits Case – Outcomes Management Project Report version 1.0;

The Way Forward – Transforming Common Service Delivery through Strategic Renewal, Public Works and Government Services Canada;

Toward a Stewardship Theory of Management, James H Davis, F. David Schoorman, Lex Donaldson, Academy of Management Review 1997, Vol. 22. No. 1. 20-47;

Training Plans, Course Calendars and course descriptions;

Travel AcXess STSI ETS Operations Monthly Report;

Travel AcXess Project Management Plan version 5.02 – 11 August 2004;

Travel AcXess WBS Schedule - Critical Path WBS - 15 May 2006;

Travel AcXess Voyage Combined Risks Register 3 April 2006;

Travel AcXess Voyage Research Findings – Vanguards, Wave 1, Wave 2;

Travel AcXess Voyage STSI Project Status Reports;

Travel AcXess Voyage STSI Quarterly Solution Reviews Survey Results and Quarterly Solution Reviews;

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Treasury Board of Canada policy on the Management of Major Crown Projects, http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/tbm_122/chapt2-3-2_e.asp#appb 1994-07-08;

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Usability Engineering Methods for Software Developers, Andreas Holizinger, Communications of the ACM, January 2005/Vol. 48, No. 1.

Appendix E: Individuals Consulted

Andison, Martin, Director Financial Policy and Systems
Citizenship and Immigration

Cochrane, Ken, Chief Executive Officer, Information Technology Services Branch
Public Works & Government Services Canada

Corbett, Michael, A/Director General, Shared Travel Service Initiative,
Information Technology Services Branch, Public Works & Government Services Canada

Cousineau-Mahoney, Chantel, A/Chief Financial Officer, Health Canada.
Davis, Caroline, ADM Corporate Services
Indian and Northern Affairs Canada

Couture, André, Director, Accounting Operations
Citizenship and Immigration

Cyrenne, Marcel, Manager, Corporate Accounting Services,
Senior Full Time Travel Officer
Justice Canada

Deacon, Bruce, Assistant Secretary, Corporate Administrative Services Initiative (CASI)
Treasury Board of Canada, Secretariat.

Derouin, Gerry, Vice-President
Canada Border Services Agency

Dufresne, Robert, Executive Director, Financial Services
Canadian Food Inspection Agency.

Ganim, Wayne, Director General, Finance Branch
Citizenship and Immigration

Gauthier, Gilles, Senior Full Time Travel Officer
Agriculture and Agri-Food Canada

Gauvin, Paul, Deputy Commissioner, Corporate Management and Comptrollership
RCMP

Gendreau, Diane, Chief, Accounting Operations and Financial Policies
Canadian Heritage

Hegge, Cal, Assistant Deputy Minister, Human Resources and Corporate Services
Fisheries and Oceans.

Hillier, Keith, Assistant Deputy Minister, Corporate Services Branch
Veterans Affairs Canada

Hubley, Norma, Director Financial Policy Division
Agriculture and Agri-Food Canada

Lacasse, Gerard, A/Director General, Finance and Administration Directorate
Fisheries and Oceans

Laporte, Jean, Director General Corporate Services
Transportation Safety Board of Canada.

Langlois, Guy   Chief, Financial Systems
Statistics Canada

Ledain, Dominic, Financial Officer, Costing and Special Projects
Immigration and Refugee Board of Canada

Lefebvre, Roseline, Officer, Accounts Receivable
National Capital Commission

Libbey, Jim, Executive Director. Financial Systems Acceptance Authority
Comptrollership Branch
Treasury Board of Canada, Secretariat

Lumsdon, Bill, Director, Accounting, Material and Administration Services
Fisheries and Oceans

Minns, Sherril, A/Vice President, Finance and Corporate Services
Atlantic Canada Opportunities Agency

Monette, Rod, Assistant Deputy Minister, Finance and Corporate Services
National Defence

Price, Kathryn, Director, Corporate Administrative Services
Canadian Food Inspection Agency

Ralston. James, Chief Financial Officer and Assistant Commissioner
Canada Revenue Agency

Renaud, Guy, Chef Principal des Finances
Canadian Space Agency

Robineau, Yves, Chief, Accounting Operations, Financial Services
Privy Council Office

Saint-Laurent, Louise, Assistant Commissioner
Correctional Services Canada

Sanscartier, Marcel, Manager, Accounts Receivable and Payable
National Capital Commission

St-Jean, Charles-Antoine, Comptroller General of Canada
Treasury Board of Canada, Secretariat.

Surtees, Larry, Director General, Financial Operations
National Defence

Taylor, Randy, A/Director, Human Resources and Financial Systems,
Finance Directorate, Comptrollership Branch
Canada Border Services Agency

Tellier, Ray, Director, Accounting Operations
Transport Canada

Volk, Coleen, ADM, Corporate Services Branch
Public Service Human Resources Management Agency of Canada,
Finance Canada, and Treasury Board of Canada Secretariat

White, Gordon, Vice President Corporate Services
Canadian Food Inspection Agency

Wutti, Valerie, Executive Director, Enterprise Stewardship and Internal Services Strategies Division,
Chief Information Officer Branch
Treasury Board of Canada, Secretariat.

Appendix F: ERC Savings – Government Procurement[3]

Savings—Government Procurement

	2005–06	2006–07	2007–08	2008–09	2009–10	Total
			(millions of dollars)			
Use existing standing offers	53	122	267	311	311	1,064
Get better prices	6	29	228	361	370	994
Travel modernization	**–**	**50**	**80**	**115**	**130**	**375**
Administrative savings	–	3	23	54	77	157
Total savings	59	204	598	841	888	2,590
Investment needed at PWGSC	(20)	(25)	(25)	(20)	–	(90)
Net savings	39	179	573	821	888	2,500

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[3] Source: Finance Canada, Expenditure Review for Sound Financial Management, Budget 2005, Table 3 p. 10; available at http://www.fin.gc.ca/budget05/booklets/bkexpe.htm

Appendix G: New Evaluation Matrix, Including Performance Measures for Addressing Issues in Summative Evaluation

Updated Evaluation Matrix for Evaluation for Government Travel Program					
Evaluation Issues	**Performance Measures**	Source of Data			
		Contractor	**STSI (Program)**	**User Dept.**	**Evaluation Team**
RELEVANCE					
1. Is the Government Travel Program consistent with PWGSC priorities and its Commodity Management role?	▪ Degree of alignment with PWGSC's priorities determined through research including reviews of relevant documents				OPI
DESIGN / DELIVERY					
2. Is the governance and accountability structure for the new shared travel program clear and operating effectively?					OPI

Updated Evaluation Matrix for Evaluation for Government Travel Program					
Evaluation Issues	**Performance Measures**	**Source of Data**			
		Contractor	**STSI (Program)**	**User Dept.**	**Evaluation Team**
3. Are departments and agencies engaged and exercising stewardship in regards to the new shared Travel Program?	▪ Uptake of Travel Program tools within departments by user groups, i.e., usage of OBT and Travel Agency, DTC and EMT – compared to 2005-06	√	OPI	√	√
	▪ Advisory/Steering Committee providing active leadership, i.e., participation/attendance, suggested improvements, role in promoting usage		OPI	√	√
	▪ SFTO collaboration, i.e., participation in Travel Program meetings/ teleconferences, types of analyses carried out and presented to senior management, identifying and sharing lessons learned and best practices		OPI	√	
SUCCESS / IMPACT					
4. To what extent has the Government Travel Program improved the travel services to government employees and enhanced the travel experience for public servants?	▪ Level of traveler satisfaction with the suite of tools – complaints about the tools		OPI	√	
	▪ Number and type of complaints received from travelers regarding the travel experience		OPI	√	
	▪ Amount of time saved by employees in arranging travel and in preparing travel claims		OPI	√	

Updated Evaluation Matrix for Evaluation for Government Travel Program					
Evaluation Issues	**Performance Measures**	**Source of Data**			
		Contractor	**STSI (Program)**	**User Dept.**	**Evaluation Team**
5. Is the increased travel information supporting better travel decisions within OGDs?	▪ SFTOs and senior managers using improved information in decision-making – documented stories of how travel information has been used, lessons learned, best practices		OPI	√	
	▪ Documented savings by OGDs, including benefits associated with better planning and decisions that are being made with improved travel data – case studies, reduced service fees, decreases in average travel claims, lower air fares	√	OPI	√	√
6. To what extent has STSI increased transparency and accountability of travel carried out by employees within OGDs?	▪ Rate of uptake of STSI tools compared to baseline (2005-06)	√	OPI	√	
	▪ Compliance with travel regulations/incidence of contravening travel regulations – analysis of trends	√	OPI	√	
	▪ Delinquency in card payment – by department and employee level/salary	√	OPI	√	
	▪ Reduced number of changes to travel plans and service fees compared to established baseline	√	OPI	√	
	▪ Comprehensive reporting of information by OGD to SFTOs, senior managers and the Canadian public		OPI	√	

Updated Evaluation Matrix for Evaluation for Government Travel Program					
		Source of Data			
Evaluation Issues	**Performance Measures**	**Contractor**	**STSI (Program)**	**User Dept.**	**Evaluation Team**
COST-EFFECTIVENESS / ALTERNATIVES					
7. To what extent has STSI enabled the Government to cost effectively achieve net savings in actual travel costs and support ERC?	▪ Savings realized and acknowledged by ERC - Basket of embedded transactions costed for comparative purposes – track actual costs against "could have been" costs		OPI	√	√
8. To what extent has the STSI reduced travelers' and OGDs' administrative costs?	▪ Decrease in amount of time spent by employees, travel administrators and financial officers on travel arrangements and travel claims as compared to established baselines	√	OPI	√	
	▪ Use of OBT instead of Travel Agency	√	OPI	√	√
	▪ Documented savings – case studies – see Issue 4	√	OPI		√
9. Are the most appropriate and efficient means being used to achieve objectives, relative to alternate design and delivery approaches?			OPI		√

Appendix H: OBT Take Up - the top 30 Departments

The following table depicts OBT take up amongst the top 30 departments. [4]

	OBT Adoption (Domestic & Transborder Bookings)			
	Department	**Nov-05**	**Dec-05**	**Jan-06**	
1	Canadian Food Inspection Agency	43.0%	46.1%	60.2%	⬆
2	Public Works & Government Services Canada	43.8%	50.2%	51.7%	⬆
3	Dept Of Citizenship And Immigr	33.0%	24.7%	41.4%	
4	Canada Customes And Revenue Ag	37.4%	41.5%	37.1%	
5	Veterans Affairs Canada	25.0%	23.1%	31.0%	
6	Industry Canda	29.0%	30.2%	30.2%	
7	Transport Canada	25.6%	27.3%	28.8%	⬆
8	Environment Canada	21.5%	26.6%	27.1%	⬆
9	National Energy Board	20.0%	7.9%	26.9%	
10	Parks Canada	19.8%	19.9%	26.7%	⬆
11	Statistics Canda	19.8%	17.2%	25.9%	
12	Atlantic Canada Opportunities Agency	9.8%	14.8%	24.4%	⬆
13	Human Resources And Skills Development	27.1%	21.7%	23.5%	
	Government Of Canada Top 30	**19.2%**	**21.0%**	**23.2%**	⬆
14	Dept Of Agriculture & Ag-Food	18.9%	28.3%	23.0%	
	Government Of Canada - All	**18.6%**	**20.5%**	**22.4%**	⬆
15	Public Service Commission Of Canada	21.9%	6.8%	21.9%	
16	Canada Border Services Agency	18.8%	15.9%	20.1%	
17	Natural Resources Canada	18.3%	18.0%	18.6%	
18	Fisheries And Oceans	18.3%	14.4%	18.2%	
19	Canadian International Dvlpmnt	13.9%	30.2%	17.4%	
20	Indian And Northern Affairs Canada	10.7%	7.4%	15.8%	
21	Treasury Board Of Canada Secretariat	9.1%	18.2%	15.4%	
22	Canadian Space Agency	11.4%	9.5%	14.8%	
23	Dept Of Canadian Heritage	17.6%	17.2%	14.5%	⬇
24	Health Canada	10.9%	8.5%	12.6%	
25	Correctional Service Canada	9.0%	9.7%	11.2%	⬆
26	Department Of Justice Canada	13.2%	14.3%	9.2%	
27	Foreign Affairs & International Trade	3.3%	5.5%	4.7%	
28	Privy Council Office	8.6%	2.8%	2.0%	⬇
29	Royal Canadian Mounted Police	1.3%	1.2%	1.2%	
30	Office Of The Auditor General	0.0%	0.0%	0.0%	

⬆   3 Month Upward trend
⬇   3 Month downward trend

The Deputy Ministers of the top two departments have mandated the use of OBT in their organizations. The GoC incurs a $20 direct transaction fee savings for each OBT booking, as opposed to $40 for booking through the Travel Agency.

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[4] STSI Decision Process Meeting PowerPoint Presentation - 03 March 2006