



“When You Talk - We Listen!”



MANITOBA PUBLIC UTILITIES BOARD

Re: MANITOBA PUBLIC INSURANCE CORPORATION (MPI)
2023/2024 GENERAL RATE APPLICATION
HEARING

Before Board Panel:

- Irene Hamilton, K.C.- Panel Chairperson
- Robert Gabor, K.C. - Board Chair
- Susan Nemec - Board Member
- George Bass, K.C. - Board Member
- Susan Boulter - Board Member

HELD AT:

Public Utilities Board
400, 330 Portage Avenue
Winnipeg, Manitoba
October 27, 2022

Pages 1627 to 1762
Day 7

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1 List of Exhibits

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1 --- Upon commencing at 9:01 a.m.

2

3 THE PANEL CHAIRPERSON: Good morning.

4 Mr. Guerra, would you introduce your panel, please?

5 MR. ANTHONY GUERRA: Good morning,

6 Madam Chair. Before I do, I just have a couple of

7 exhibits to read into the record, if I may.

8 MPI Exhibit number 73 is the MCT

9 calculations for Basic combined portfolio.

10

11 --- EXHIBIT NO. MPI-73: MCT Calculations for Basic

12 Combined Portfolio

13

14 MR. ANTHONY GUERRA: And MPI Exhibit

15 number 74 is the Information Technology and Value

16 Management presentation.

17

18 --- EXHIBIT NO. MPI-74: Information Technology and

19 Value Management

20 Presentation

21

22 THE PANEL CHAIRPERSON: Thank you.

23 MR. ANTHONY GUERRA: And, Board

24 Secretary, if I could have the witnesses sworn in,

25 please. Oh, I'm sorry.

1 Good morning. I have before me the
2 IT/Value Management panel, what is comprised of three
3 (3) front-row members and a number of back-row
4 members. The front-row members being Siddhartha
5 Parti, our Vice-President and Chief Information and
6 Technology Officer immediately to my right.

7 And then immediately to his right is
8 Shawn Campbell, Director of Enterprise Architecture,
9 and then finally, Mr. Mark Giesbrecht, Vice-President
10 and Chief Financial Officer.

11 I can advise in our back-row support
12 this morning are Salman Ashraf, our Cyber and
13 Information Security Officer; Rafiq Valliani, our
14 Manager of Cyber security and IT GRC; Peter Garn,
15 Director, Software Development and Operations; Chad
16 Muir, Director, Strategic Sourcing and Vendor
17 Management; Dean Zarrillo, Director, Strategy and
18 Portfolio Management; Sally Palantini, Value
19 Management Coordinator; Rhonda Von Dohren, Value
20 Management Coordinator; Dave Hunter, Director,
21 Platform Engineering and Infrastructure; Arun, A-R-U-
22 N, Abraham, Director, Digital Workplace and Service
23 Management; Syed Qadri, Director, Data Management and
24 Analytics; Robin Hildawa, Manager, Agile Program
25 Management Office; and Garry Dessler, Director, NOVA

1 Technical Solutions. Thank you.

2

3 INFORMATION TECHNOLOGY/VALUE MANAGEMENT PANEL

4

5 SIDDHARTHA PARTI, Affirmed

6 SHAWN CAMPBELL, Affirmed

7 MARK GIESBRECHT, Sworn

8

9 EXAMINATION-IN-CHIEF BY MR. ANTHONY GUERRA:

10 MR. ANTHONY GUERRA: And, Mr. Parti, I

11 understand before us we have the Information and

12 Technology and Value Management presentation.

13 Is that correct?

14 MR. SIDDHARTHA PARTI: That is

15 correct, yes.

16 MR. ANTHONY GUERRA: And this is the

17 presentation that was prepared by you and your team.

18 Is that correct?

19 MR. SIDDHARTHA PARTI: Correct.

20 MR. ANTHONY GUERRA: And this

21 presentation will form part of your evidence that you

22 will give to the -- the Public Utilities Board this

23 morning. Is that correct?

24 MR. SIDDHARTHA PARTI: That is

25 correct.

1 MR. ANTHONY GUERRA: I won't take up
2 too much more of your time, so I'll let you go through
3 your presentation, and I may have some questions for
4 you either during or after your presentation, okay?

5 MR. SIDDHARTHA PARTI: Okay.

6 MR. ANTHONY GUERRA: Thank you.

7 MR. SIDDHARTHA PARTI: Thank you.

8 All right. Okay. Go to the next slide, please.

9 Right there. Thank you.

10 Good morning to the members of the
11 Board, counsel from both sides, MPI panel, and the
12 viewers who are following the proceedings online. My
13 name is Siddhartha Parti. I'm the Vice-President and
14 Chief Information and Technology Officer for Manitoba
15 Public Insurance. I've now been in this role for
16 sixteen (16) months.

17 The agenda for today will cover the IT
18 strategy and how we, as a division, are focussing on
19 and pivoting to meet MPI's business objectives,
20 followed by areas of focus with IT division, update
21 and the organization structure, including external
22 labour strategy and IT benchmarking.

23 On the -- on the panel today we also
24 have Mr. Giesbrecht, who's MPI's Vice-President, Chief
25 Financial Officer, and he will focus on some key value

1 items for value management.

2 Over the last year, IT division has
3 gone through significant but very intentional
4 transformation and pivoted to start building a very
5 high performance organization that is focussed and
6 capable to address the needs of MPI of the future.

7 It's my firm belief that has --
8 insurance industry, or any industry, for that matter,
9 that's going through a significant disruption and
10 change are robust, capable, well functioning IT
11 organization is the key differentiator between success
12 and failure.

13 To assist us on -- us on this journey
14 we have defined a mission statement and some guiding
15 principles, which is part of our IT strategy. I'll
16 read this verbatim.

17 "Our mission is to enable our
18 (INDISCERNIBLE) with the right
19 skills, tooling, support and
20 efficient processes while nurturing
21 an environment of trust, continuous
22 learning, and improvement, align for
23 the delivery of secure, highly
24 reliable technology that supports
25 the business needs and is delivered

1 in a predictable and timely
2 cadence."

3 So, the guiding principles to support
4 us on this mission, and we've defined ten (10) of them
5 is, first of all, to have a deep understanding of our
6 business problems so that we just don't go and start
7 chasing the next new shiny technology that's out in
8 the market.

9 We want to ensure that technology acts
10 as a catalyst and an enabler for any kind of business
11 change and whatever we do, we have customer experience
12 at the centre of our thinking; that as we transfer
13 from the technology ecosystem we are cloud ready and
14 we are cloud first and we establish a very robust
15 cyber security best practice.

16 We need to be data driven so that all
17 our decisions are based on statistical evidence with
18 good quality data rather than on emotions and we build
19 repeatable processes and wherever possible, we
20 automate them to build operational efficiencies.

21 That we continuously find ways to cut
22 through the proverbial red tape and the processes and
23 governance are right sized from an organizational and
24 risk perspective;

25 That we are transparent in our

1 reporting. We run the leanest operations possible,
2 and all our decisions are financially prudent.

3 And last of all, we are committed to
4 each other's success. Next slide, please.

5 I won't spend too much time on this
6 slide, but one (1) of the guiding principles that I
7 just talked about was about having a deep
8 understanding of our business problems, of our
9 business objectives, of our business requirements and
10 so on.

11 So, on the screen what you see right
12 now are the business objectives that we are using as
13 our framework, as a lighthouse, as we build our
14 technology capabilities of the future. Next slide,
15 please.

16 Moving on to the IT areas of focus,
17 these are the some of the key areas that the IT
18 division are focussing on. First and foremost, across
19 the entire division, our focus is on NOVA to ensure
20 that we provide the necessary resources, knowledge,
21 tools, support to make the program successful.

22 We have continuing and progressing
23 variable to be a cloud first organization while
24 building the necessary best practices and framework so
25 that we can avoid (INDISCERNIBLE) and ensure that we

1 have appropriate financial business cases.

2 The focus is to reduce a technical
3 debt, which is immense, which should -- and is
4 resulting in a dramatic reduction on time to market
5 for IT services.

6 While doing all of this, we are
7 ensuring that we have a very robust and comprehensive
8 cyber program to protect the data of Manitobans; that
9 cyber is not an afterthought but is part of the core
10 design.

11 As reflects some of these very
12 fundamental capabilities, the (INDISCERNIBLE), we are
13 also building capabilities in the areas of data
14 analytics that are appropriately sized in maturity and
15 capability for a public sector insurance organization.

16 Areas like data quality, data
17 governance, cloud capabilities for data are being
18 investigated, and work is in progress to mature these
19 functions.

20 Another area that we are focussing on
21 is automation, still early days, but this is an
22 exciting space for the IT and the business. Our
23 current focus is in building people, process, and
24 technology capabilities in this area, and then working
25 with our business teammates in identifying appropriate

1 targets for automation.

2 And the mission there is to automate
3 redundant and manual back-end processes so that our
4 MPI teammates are able to focus on serving Manitobans
5 better. Next slide, please.

6 Now, moving to the IT organization
7 structure, one (1) significant change to report is
8 around the enterprise applications management team,
9 which is the biggest directorate within IT.

10 This is the team that's responsible for
11 managing IT applications, software delivery, and so
12 on.

13 The new name of this team is software
14 development and operations team, which is synonymous
15 with the (INDISCERNIBLE) model and you heard Mr.
16 Herbelin talk about dev ops (phonetic) as well.

17 This change also included building the
18 necessary verticals underneath in areas like digital
19 and areas like quality, testing, integrations, and so
20 on. Capabilities that we did not have at MPI, but are
21 very, very important as we move towards the future.

22 We want to ensure that we are gearing
23 to move towards a more Agile delivery model and start
24 building capabilities around the future of MPI. We
25 want to ensure that our teammates are receiving

1 appropriate levels of people care.

2 And very, very importantly, this
3 restructure was very important in the sense to have
4 those capabilities to receive NOVA into IT operations.
5 NOVA (INDISCERNIBLE) is coming into IT ops in the next
6 few months. Next slide, please.

7 Now, contingent labour strategy --
8 contingent labour strategy for the long-term
9 contractors has saved us \$4 1/2 million over the past
10 few years. And our rate cards are continuing to
11 provide us with the cost avoidance and savings.

12 Now, we have seen an increase in our
13 short-term contractors' roles, mainly due to the
14 demand that's coming towards IT, both from NOVA but
15 also due to the gap in our capabilities as we onboard
16 new technologies.

17 The strategy there is to use short-term
18 contractors to come in, help establish technologies
19 and capabilities while, in parallel, we train our
20 internal staff to take on those new ecosystems that we
21 are building out. Next slide, please.

22 From an IT benchmarking perspective,
23 there are no general concerns. We are trending in
24 line with industry peers, especially if you take NOVA
25 out of the equation. Gartner has highlighted that IT

1 division maturity is consistently outperforming its
2 peers in all of the nine (9) IT domains that they
3 benchmark us on.

4 Our spend and staffing levels are
5 slightly higher than industry standard and that is
6 directly related to the massive IT transformation and
7 the significant workloads that are associated with
8 NOVA today.

9 And work is already underway for our
10 benchmarking exercise for the next fiscal year, which
11 we'll present in GRA 2024.

12 With that, I've come to the end of the
13 information technology part of the presentation for
14 today. I'll hand it over to Mr. Giesbrecht to take us
15 to the value management side.

16 MR. ANTHONY GUERRA: Before we do
17 that, though, I just have a couple quick questions for
18 you, Mr. Parti. Just -- just so we can keep it all
19 together here.

20 You talked about some of the guiding
21 principles for the -- the IT department and -- I'm not
22 going to quote you verbatim here, but you did talk
23 about one (1) of those guiding principles not chasing
24 shiny objects. I'm paraphrasing.

25 How would you reconcile that comment

1 with what we saw in things like slide 7 -- and if you
2 can pull that up for us, Ms. Schubert, please -- where
3 you're talking about the ideas of cloud adoption and
4 automation?

5 Are those shiny objects that we should
6 be concerned or not consistent with the guiding
7 principles of the IT?

8 MR. SIDDHARTHA PARTI: Not at all.
9 The concept of cloud has been in industry for many,
10 many years now. And MPI is very behind the curve in
11 that sense.

12 So when we talk about transforming IT,
13 when we talk about building new business capabilities,
14 there is no other choice but to go to the cloud. When
15 you look at your core business applications, even in
16 the case with NOVA, Duck Creek, Caltech (phonetic),
17 Dynamax (phonetic), and so on, they're all cloud-based
18 technologies. There is no option to actually have
19 those technologies on prim (phonetic) anymore.

20 What we don't have, unfortunately -- or
21 what we haven't invested in over the years, in
22 building those fundamental capabilities and the
23 ecosystems to support those core business
24 applications, which is where this cloud adoption is
25 extremely important. We need to understand how we

1 will operate in this new paradigm of technology
2 ecosystems for the future.

3 So with that point, yes, cloud adoption
4 has been looked at as -- as a core enabler.

5 MR. ANTHONY GUERRA: What about the
6 area of automation? I -- I believe we heard from Mr.
7 Herbelin earlier, last week, that MPI wasn't going to
8 be focused on things like artificial intelligence.
9 But it does sound, from this slide, that that might
10 be, in fact, the case.

11 Can you help us reconcile that, please?

12 MR. SIDDHARTHA PARTI: Absolutely. So
13 automation is an upcoming line of technology
14 ecosystems. Very, very prevalent in the private
15 sector insurance industry. And really, the idea here
16 with automation is to be able to automate back-end
17 processes that are manual, that are repetitive, that
18 is taking away the time from our MPI teammates from
19 serving Manitobans.

20 Now, in the absence of these disruptive
21 technologies, the requirement for full-time employees
22 at MPI would be significantly higher in the future if
23 -- if they would not use these technologies.

24 So, really, automation is helping us be
25 more efficient. It is helping our teammates serve

1 Manitobans better, because they are taking away their
2 time from the day to day.

3 And, it is perhaps a little bit
4 disruptive in the sense of a public sector situation,
5 but in the private sector, this is extremely prevalent
6 on -- on the insurance side.

7 MR. ANTHONY GUERRA: So, if I
8 understand you correctly, Mr. Parti, whereas we have
9 evidence in this rate application that MPI is seeking
10 to add to its FTE counts and -- and in some
11 significant ways.

12 Is it your evidence that if MPI were
13 not to engage in things like automation and the use of
14 artificial intelligence, that that request might be
15 more significant than that -- even that in the future?

16 MR. SIDDHARTHA PARTI: Absolutely.

17 MR. ANTHONY GUERRA: What about the --
18 the idea of -- of delivering a modern data management
19 and analytics platform that we see here on the -- the
20 second bottom row, under data intelligence.

21 Can you help us understand the
22 importance of delivering modern data management and
23 what that actually means for MPI practically?

24 MR. SIDDHARTHA PARTI: Absolutely.
25 Now, let me start by saying, what we're not trying to

1 do at MPI. We're not trying to build the next Google,
2 when it comes to data management analytics.

3 What we are trying to do is build
4 capabilities that were perhaps never invested in over
5 this course of MPI's history.

6 As we talk about insurance, we talk
7 about rate modeling. We talk about predicted
8 analytics. We talk about road safety. Any one (1) of
9 those initiatives across MPI to serve Manitobans
10 better, is under (INDISCERNIBLE) by good data. Is
11 under (INDISCERNIBLE) by good governance around data.

12 Today, the data is sitting in, I don't
13 know, twenty (20) different locations within the MPI
14 ecosystem. It's on file. It's on somebody's, you
15 know, somebody's mind, and it's on somebody's
16 computer, perhaps. It's on five (5) different IT
17 systems.

18 So, really the effort around data
19 management and analytics is to have a very robust
20 function that knows where the data is.

21 First of all, what is the quality of
22 the data. Are the right owners of data understanding
23 the quality -- under -- understanding how the data is
24 going to impact their operations. And then be able to
25 build as business inside, the data inside, the

1 intelligence that we require to take decisions.

2 So -- so that's -- that's the absolute
3 bear bottom capability that any insurance organization
4 should have in 2022.

5 MR. ANTHONY GUERRA: Thank you. And
6 finally, on this slide here we have the indication at
7 the top about supporting NOVA.

8 Traditionally we've seen the last few
9 years MPI kind of siloing the NOVA edition from --
10 from other IT initiatives and in -- there'd be
11 separate presentations and -- and things like that.

12 And I appreciate that you've only been
13 in this role for sixteen (16) months, but is this
14 indication here about supporting NOVA, is this an
15 indication that we should take that you will have a --
16 a greater presence with the NOVA team, that IT and --
17 and NOVA will be working more closely together then,
18 historically may have been the case?

19 MR. SIDDHARTHA PARTI: Absolutely.
20 So, NOVA is as much a technology program as -- as it
21 is a business transformation program. So, IT needs to
22 be embedded into the program, which -- which is where
23 we would be playing a bigger role as we go forward.

24 Any kind of technology delivery will be
25 the responsibility of the CIO and I will be leading

1 that, yes.

2 MR. ANTHONY GUERRA: Okay. Thank you.
3 Mr. Giesbrecht, I can now turn over to you for the
4 value management portion.

5 MR. MARK GIESBRECHT: Thank you very
6 much. So, the value management office continues to be
7 an integral part of MPI in terms of measuring,
8 monitoring, assist in the business in the measuring of
9 the value brought about by our different projects.

10 And so, the value management office
11 continues to actively review all IT investments, as
12 well as ongoing monitoring of achievement of the
13 business case and the forecasted ongoing financial
14 costs and benefits, in addition to non-financial
15 benefits outlined in the previous business case.

16 That includes -- some examples,
17 recently have been our high school driver's ed, total
18 loss strategy and seller's management where there was
19 a significant investment that also led to significant
20 benefits for the Corporation.

21 In terms of the 2023 GRA, the value
22 management chapter, we do summarize and include a
23 review of all the prior year projects, with a focus on
24 validating those project costs, including analysis and
25 -- and the sources of any changes or variances that --

1 to -- may have arisen over the course of the year.

2 The achievement of the project
3 objectives as outlined in that business case, and
4 compliance with our -- our policies in the furtherance
5 of those -- of those projects.

6 Again, an example of work undertaken in
7 the last year is our IBM network hardware vitality
8 program. This is part of our Technology Risk
9 Management Program, which we have ongoing every year,
10 within the IT domain, to ensure that -- that risks are
11 mitigated and -- and software platforms remain viable.

12 And the Value Management Office
13 validated the assertions presented in -- in the
14 closeout report presented by the IT team to ensure
15 that there -- there was the proper achievement of
16 those different objectives and -- and benefits.

17 And the Value Management Office also
18 conducted an analysis of the project costs and
19 variances and the results and review and lessons
20 learned are reported in the Value Management Chapter.
21 Next slide, please.

22 So, during '21/'22 -- the fiscal year
23 2021/'22, we have moved to an Agile environment and
24 adopting what -- what's known as the -- the safe
25 frame-work and, so, this has been a bit of a -- a

1 shift and a change for the Corporation and the Value
2 Management Office has -- has worked alongside with our
3 -- our IT and our Program and project deployment
4 offices to make -- ensure that we have value
5 management imbedded into that process, as we shift to
6 that iterative approach, which is that the -- the, you
7 know, point of a lean Agile environment.

8 So, the val -- Value Management Office
9 worked in conjunction with the Agile Project
10 Management Office in the development and launch of new
11 documents to ensure that the business case continued
12 to have the proper financial analysis and the
13 components that you would expect in a sound
14 assessment, you know.

15 There's been a shift in how we do
16 things, in terms of what -- what's known as an epic
17 hypothesis statement. That really drives out the --
18 the -- the what, the why, the how, and delivers in a
19 concise statement for all business users that
20 understand what is the point and the value of a
21 business initiative.

22 In addition to that, is what's known as
23 the WSJF, which is the Weighted Shortest Job, which is
24 a high-level analysis of what will provide the best
25 value, looking at the high level costing versus the

1 benefits, and, so, these are -- are tools to quickly
2 assess and -- and prioritize different programs that
3 enter our backlog of work to take place.

4 So, included in the redevelopment of
5 the previous business case to the newly-branded lean
6 business case, is the support has changed and these
7 documents continue to evolve, as we mature our
8 processes in this regard.

9 Most project activities will continue
10 to include validation of the lean business case
11 outcomes, that include validation of objectives,
12 benefits, in addition to the minimum viable product or
13 -- or MVP, which is the early versioning of the
14 product, which, then, will lead to successive
15 iterations and -- and further roll-outs of different
16 functionality within that -- those programs. On to
17 the next slide.

18 In last year's GRA, we filed the IT
19 transformation business case, so that's been the
20 starting point to -- to what Mr. Parti spoke to today
21 and as -- as reported in the -- in the application,
22 the goal of the IT transformation initiative is to
23 change how the Information Technology Division
24 delivers value in a -- in a world of competing demands
25 for excellent customer service, superior products and

1 services, and operational efficiency, as well as
2 contribute to the effective delivery of NOVA to build
3 for the future needs of MPI.

4 In the business case last year, there
5 were a couple of main components: a \$6 million
6 investment that was focussed on data analytics, which
7 was \$3.6 million, lean portfolio management and the --
8 and the tooling associated with that, which was four
9 hundred thousand dollar (\$400,000) spend; platform
10 engineering of 2 million.

11 And the IT division continues to
12 identify the need for proper resourcing and, with that
13 business case, there was an additional FT increase of
14 -- of twenty (20) in last year's approved budget and,
15 to date, all but one (1) of those positions have been
16 filled, in alignment to that -- that business case.

17 The initiatives continue to be on track
18 to deliver in '22/'23 at the proposed budget. Some
19 examples are the logical data warehouse set -- set to
20 complete in about a month's time from now, while the
21 Network Operating Centre, as a service, will also wrap
22 up before the end of this calendar year.

23 All expenses are in line to the
24 original business case for the IT transformation that
25 was submitted in last year's GRA and the -- the

1 capability and assessment of roadmap and capability
2 development are allocated to the various data
3 solutions.

4 So, with that, the Value Management
5 Office will continue to work very closely with IT and
6 other departments within the organization to ensure
7 that there is stewardship over our investments and
8 there is ongoing tracking of our -- our benefits to
9 realize lessons learned and incorporate those into
10 future projects. And that concludes our presentation.

11 MR. ANTHONY GUERRA: Thank you, Mr.
12 Giesbrecht, and I don't have any further questions for
13 you, so thank you very much to this panel.

14 THE CHAIRPERSON: Thank you. Ms.
15 McCandless...?

16

17 CROSS-EXAMINATION BY MS. KATHLEEN MCCANDLESS:

18 MS. KATHLEEN MCCANDLESS: Thank you.
19 Good morning to the members of the panel. Welcome
20 back, Mr. Giesbrecht. My name is Kathleen McCandless
21 and I'm counsel to the Board. I'll have some
22 questions for you this morning.

23 I'm not going to necessarily direct my
24 questions to a particular member of the panel, so
25 please feel free to speak up as you deem appropriate,

1 and appreciating that we are going to hear from the
2 NOVA panel next week, I have tried to keep my
3 questions away from NOVA, although, I appreciate that
4 I may -- some of your responses may necessarily
5 require you to address that issue.

6 So, if I ask a question that is more
7 appropriately posed to next week's panel, please feel
8 free to let me know that as well.

9 So, I'd first like to ask about IT
10 benchmarking and, in particular, the Gartner
11 benchmarking. Kristen, could we please pull up PUB
12 Exhibit -- pardon me, MPI Exhibit number 8?

13 This is the IT Benchmarking Report
14 prepared by Gartner for MPI?

15 MR. SIDDHARTHA PARTI: Correct.

16 MS. KATHLEEN MCCANDLESS: And this is
17 in respect of fiscal year 2020 to 2021?

18 MR. SIDDHARTHA PARTI: That is right.

19 MS. KATHLEEN MCCANDLESS: Just jumping
20 to page 8 of the report, I want to review the
21 objectives with the panel. So, the objectives of the
22 IT benchmarking exercise are found there, the first
23 set of bullets:

24 So, to establish a baseline of IT
25 spending and staffing based on 2020/'21 fiscal year

1 data.

2 Compare IT spending and staffing levels
3 with insurance industry peers.

4 Communicate the level of maturity of
5 key IT domains within MPI relative to peers.

6 Identify the variances for areas that
7 may have a potential for optimization.

8 And to create a foundation for a
9 continual change/improvement program."

10 Correct?

11 MR. SIDDHARTHA PARTI: That is
12 correct.

13 MS. KATHLEEN MCCANDLESS: And if we
14 look to the bottom of the page, Gartner has
15 characterized a successful outcome as:

16 "Providing a fact-based assessment
17 for communicating IT performance
18 within MPI and contributing to
19 informing future budget staffing in
20 investment decisions."

21 And does MPI agree with that statement?

22 MR. SIDDHARTHA PARTI: We do.

23 MS. KATHLEEN MCCANDLESS: Yes?

24 MR. SIDDHARTHA PARTI: Yeah. Yes.

25 MS. KATHLEEN MCCANDLESS: Okay.

1 Moving to page 9. Now although the heading of this
2 slide describes that MPI's current state was informed
3 through three (3) different streams, for this
4 benchmarking report, I understand it was just two (2),
5 the top and the bottom.

6 And -- and the middle has been reviewed
7 by Gartner in the past, but was not reviewed for the
8 2020/'21 report. Is that correct?

9 MR. SIDDHARTHA PARTI: That is
10 correct.

11 MS. KATHLEEN MCCANDLESS: Now jumping
12 to page 12, this is the executive summary of Gartner's
13 findings.

14 And we see at the top of the slide that
15 MPI is investing significantly in digital
16 transformation, transformation resulting in overall
17 level of IT spending is staffing, that is higher than
18 peers, correct?

19 MR. SIDDHARTHA PARTI: That is
20 correct, yes.

21 MS. KATHLEEN MCCANDLESS: The first
22 graphic on the left-hand side of the screen shows that
23 MPI's IT spending is higher than peers. One (1),
24 project NOVA costs are included, correct?

25 MR. SIDDHARTHA PARTI: Correct.

1 MS. KATHLEEN MCCANDLESS: And so,
2 MPI's 3.1 percent above peer average for IT spend has
3 a percentage of operating expenses?

4 MR. SIDDHARTHA PARTI: Could you
5 please repeat that question again?

6 MS. KATHLEEN MCCANDLESS: I'm just
7 asking you to confirm on the left side of the screen.
8 We see -- Gartner's finding is that MPI is 3.1 percent
9 above peer average for IT spend as a percentage of
10 operating expenses?

11 MR. SIDDHARTHA PARTI: Yes, that's
12 right. Yes.

13 MS. KATHLEEN MCCANDLESS: IT staffing
14 levels, the middle column. MPI is 6.2 percent above
15 peer average for IT staff as a percentage of all
16 staff, correct?

17 MR. SIDDHARTHA PARTI: That's correct.

18 MS. KATHLEEN MCCANDLESS: And MPI's IT
19 maturity level, as found by Gartner, out performs its
20 peers in all nine (9) of the IT domains that are
21 reviewed by Gartner?

22 MR. SIDDHARTHA PARTI: That is
23 correct.

24 MS. KATHLEEN MCCANDLESS: Now, if we
25 could look back to this same report that was filed in

1 last year's GRA. This is 2022 GRA, part 3,
2 benchmarking appendix 3.

3 This is the same Gartner IT
4 benchmarking report, but filed last year for fiscal
5 year 2019/2020, correct?

6 MR. SIDDHARTHA PARTI: Correct.

7 MS. KATHLEEN MCCANDLESS: And if we
8 could jump to page 12, please? Thank you. So, this
9 is the same graphic that we just looked at, but for
10 the 2019 and 2020 fiscal year, correct?

11 MR. SIDDHARTHA PARTI: Correct.

12 MS. KATHLEEN MCCANDLESS: And we see
13 that that first metric on the left-hand side, last
14 year, Gartner's finding was that MPI was .2 percent
15 above peer average for IT spending as a perten --
16 percentage of operating expense, yes?

17 MR. SIDDHARTHA PARTI: Yes.

18 MS. KATHLEEN MCCANDLESS: So I don't
19 think we need to jump back, but I did just take you to
20 the prior screen which showed that that number has now
21 increased to 3.1 percent, yes?

22 MR. SIDDHARTHA PARTI: That's correct.

23 MS. KATHLEEN MCCANDLESS: And last
24 year, the middle column was 1.4 percent below peer
25 average. And if we go to -- if we could maybe jump

1 back to the -- now we go from 1.2 percent below peer
2 average to 6.2 percent above peer average, correct?

3 MR. SIDDHARTHA PARTI: Correct.

4 MS. KATHLEEN MCCANDLESS: What are the
5 primary drivers behind both of these increases?

6 MR. SIDDHARTHA PARTI: I'll have to
7 refer back to the previous year's benchmarking, but I
8 believe that the NOVA costs were not included in last
9 year's submissions. So what you see right now on the
10 screen are costs that are included in NOVA which has
11 clearly been highlighted by Gartner.

12 MS. KATHLEEN MCCANDLESS: So the
13 driver of the increase is NOVA spending?

14 MR. SIDDHARTHA PARTI: Correct.
15 That's right.

16 MS. KATHLEEN MCCANDLESS: And given
17 that MPI has indicated that it will be increasing
18 staffing levels in order to deliver on NOVA, can we
19 expect to see a further increase in these two (2)
20 metrics on the left and the middle column in next
21 year's report?

22 MR. SIDDHARTHA PARTI: That will be
23 hard for me to quantify but, yes, the trend could be a
24 bit higher. By what level, I'm -- I'm not able to
25 commit to that, but, yes, the trends could be higher.

1 MS. KATHLEEN MCCANDLESS: Thank you.
2 Are the indicated levels here -- 3.1 percent and 6.2
3 percent above peers -- within acceptable parameters
4 for MPI IT spending?

5

6 (BRIEF PAUSE)

7

8 MR. SIDDHARTHA PARTI: I believe
9 there's a range that's been highlighted in the
10 document somewhere which I'll have to point to.

11

12 (BRIEF PAUSE)

13

14 MR. ANTHONY GUERRA: Ms. Schubert, if
15 you can pull up slide 11, please.

16 MR. SIDDHARTHA PARTI: Yeah. The --
17 if you go to look at slide 13 actually, the range for
18 the IT spending and staffing levels are clearly
19 outlined within that slide.

20

21 CONTINUED BY MS. KATHLEEN MCCANDLESS:

22 MS. KATHLEEN MCCANDLESS: So can you
23 just maybe further clarify what you mean by that?

24 MR. SIDDHARTHA PARTI: So the -- the
25 ranges are on the screen right now. So under 'IT

1 Spending Levels', the range is from 4.3 percent to
2 seven (7) -- just one (1) second. Let me just
3 decipher this a bit.

4

5 (BRIEF PAUSE)

6

7 MR. SIDDHARTHA PARTI: Yeah. So -- so
8 the number in the red is basically the peer average at
9 4.3 percent if you want to talk about the IT spending.
10 MPI, including NOVA, sitting at 7.4 percent, and
11 without NOVA, it's around 5.9 percent.

12 MS. KATHLEEN MCCANDLESS: Yeah. So my
13 question was whether the -- the percentages that we
14 saw on slide 12, the three point one (3.1) and six
15 point two (6.2), if those are within MPI's own
16 acceptable range for IT spending.

17 So not what -- what is the range, but
18 is MPI comfortable with these results?

19 MR. SIDDHARTHA PARTI: Well, for
20 financial range perspective, I'll pass it on to Mr.
21 Giesbrecht to comment on that, but I believe it is.

22 MR. MARK GIESBRECHT: Yeah. I think
23 what I would say to that is it's in line with our
24 established re-baselined business case. So I -- I
25 couldn't comment specifically on -- on these ranges.

1 We know that this is a transformation
2 that will take us out of range for a period of time as
3 the transformation is completed and then bring us down
4 into that acceptable range going forward. But during
5 this time of transformation, it will be higher, and it
6 is in line with our -- our current business case.

7 MS. KATHLEEN MCCANDLESS: Thank you.
8 So as we saw from page 9 of this year's report,
9 Gartner did not assess IT service management process
10 review for fiscal year 2020/'21. I think that's set
11 out on slide 9.

12 MR. SIDDHARTHA PARTI: That is
13 correct, yes.

14 MS. KATHLEEN MCCANDLESS: Does
15 excluding a review of those work streams have any
16 impact on an assessment of MPI's IT spending and
17 staffing levels? Do they play into those findings at
18 all?

19 MR. SIDDHARTHA PARTI: I don't believe
20 it does.

21 MS. KATHLEEN MCCANDLESS: Thank you.
22 Now if we could jump to slide 21. This slide is a
23 graph showing MPI's historical trend on IT spending
24 and IT score maturity levels?

25 MR. SIDDHARTHA PARTI: Correct.

1 MS. KATHLEEN MCCANDLESS: And if we
2 look to the right-hand side of the page under
3 'Observations', Gartner notes that:

4 "IT spend as a percentage of
5 enterprise operating expense was
6 higher in the current benchmark year
7 compared to the previous year net of
8 NOVA costs."

9 So 5.9 percent this year as compared to
10 5.7 percent last year, yes?

11 MR. SIDDHARTHA PARTI: Yes.

12 MS. KATHLEEN MCCANDLESS: And then the
13 red bar graph and just above that shows how NOVA
14 contributes to an -- an increase in IT spending as a
15 percentage of operating expenses. Is that correct?

16 So we see the grey line is exclusive of
17 NOVA, and then we have for this year including NOVA
18 that brings it up to 7.4 percent.

19 And I think you already explained that,
20 Mr. Parti, yes?

21 MR. SIDDHARTHA PARTI: That is
22 correct, yeah.

23 MS. KATHLEEN MCCANDLESS: And I will
24 take you back to slide 13 to which you took us just a
25 moment ago. Thank you, Kristen.

1 So we see the second column from the
2 left, MPI's IT staffing as a percentage of enterprise
3 employees is higher than peers, and that's with or
4 without NOVA, correct?

5 MR. SIDDHARTHA PARTI: That is
6 correct, yes.

7 MS. KATHLEEN MCCANDLESS: And this
8 would be an increase from last year if we include
9 NOVA? So maybe we could just go back to the slide 13
10 from last year's report.

11 Now, last year, NOVA was not included,
12 but we see that last year MPI was below peers at 18.4
13 percent?

14 MR. SIDDHARTHA PARTI: That is
15 correct, yes.

16 MS. KATHLEEN MCCANDLESS: Now, if we
17 could go to slide 24, please, and this is MPI's IT
18 spending per employee in the current benchmarking
19 report.

20 And if we look at the graphic here, the
21 grey lines, MPI is spending significantly below peer
22 averages on IT per employee, correct?

23 MR. SIDDHARTHA PARTI: Correct.

24 MS. KATHLEEN MCCANDLESS: Does this
25 lower average expense make it challenging at all for

1 MPI to attract IT staff?

2 MR. SIDDHARTHA PARTI: I think this is
3 a problem across the -- any Crown corporation. This
4 is not an MPI-specific problem itself. We are
5 competing against a global market now, and especially
6 post-pandemic or even during the pandemic, the
7 paradigm of hiring resources has completely changes.

8 So as a Crown corporation in Winnipeg,
9 we absolutely have challenges in hiring staff; a big
10 part of that challenge is compensation.

11 MS. KATHLEEN MCCANDLESS: And maybe
12 just to understand that a little bit better, with
13 post-pandemic, is part of the issue that now many more
14 people are working remotely, and so someone's why's
15 physically located in Winnipeg doesn't necessarily
16 need to work for a Winnipeg-based corporation?

17 MR. SIDDHARTHA PARTI: Absolutely,
18 yeah.

19 MS. KATHLEEN MCCANDLESS: And more
20 generally, is MPI experiencing challenges in
21 attracting or retaining IT staff?

22 MR. SIDDHARTHA PARTI: We are
23 definitely encountering issues in retain -- in
24 attracting top talent from the market. We are
25 mitigating it through various methods, but to answer

1 your question, yes, we are having issues with
2 attracting talent.

3 MS. KATHLEEN MCCANDLESS: And from the
4 Corporation's perspective, has it come up with any
5 strategies or plans to try to alleviate that
6 challenge?

7 MR. SIDDHARTHA PARTI: So there are a
8 number of areas that we're focussing on, including
9 looking at our base compensation structure and trying
10 to do as much as we can with what we have.

11 Other areas is around -- and it's not
12 only compensation. It's around the training
13 facilities that we actually provide to the employees
14 or as an attraction to.

15 It's about also working on perhaps some
16 of the -- one (1) of the biggest transformations
17 that's happening in the province in terms of the core
18 business and how we are actually adopt -- trying to
19 onboard the new market technologies into a Crown
20 corporation.

21 It's also about the leadership that
22 we're providing -- providing to the -- our current
23 employees, as well as to the employees from the
24 future. So we're combining a number of different
25 strategies to try and attract talent and retain talent

1 at the same time.

2 MS. KATHLEEN MCCANDLESS: Thank you.
3 I'd now like to refer to Benchmarking Appendix 1 from
4 the 2022 GRA. And this is -- this is part of
5 Gartner's -- or was part of Gartner's annual score
6 card review.

7 So, historically, Gartner has provided
8 MPI with recommendations to improve process maturity
9 in respect of IT, correct?

10 MR. SIDDHARTHA PARTI: Correct. Yes.

11 MS. KATHLEEN MCCANDLESS: And
12 historically, Gartner has then made recommendations to
13 MPI and MPI provides an update on the status of those
14 recommendations throughout the success of GRAs, yes?

15 And I appreciate that you -- you
16 haven't been with MPI for long, but would you agree?

17 MR. SIDDHARTHA PARTI: I would believe
18 so, unless my colleague here will tell me something
19 different.

20 MR. SHAWN CAMPBELL: Sorry, about
21 that. So, for our Gartner submissions, we've
22 committed through the submission that we would do full
23 benchmarking. That will happen in Q3. Sorry,
24 apologies. Mr. Campbell speaking here.

25 We've committed through the submission

1 that MPI will do full benchmarking; however, this will
2 occur between Q1 and Q3 fiscal year, and so those
3 results will have to come in the following submission.

4 MS. KATHLEEN MCCANDLESS: Right. So,
5 you've anticipated my question. And I'll -- I'll take
6 you there in just a second. I just want to take you
7 through, generally, what this document looks like.

8 So, the balance of the pages in this
9 appendix list the recommendations, correct? And we
10 can just, Kristen, maybe scroll through very quickly
11 so we see what they look like.

12 So, for example, there will be a
13 Gartner recommendation number, a description, the
14 status of that recommendation in the year in which
15 it's filed. And then it -- it's compared with the
16 prior year. And then there's a description of the
17 current status of that recommendation, yes?

18 MR. SHAWN CAMPBELL: That is correct.

19 MS. KATHLEEN MCCANDLESS: And, Mr.
20 Campbell, I understand that MPI is delayed in
21 providing this information in this GRA. It was not
22 included as part of the filing. There was a note that
23 it would be provided in September, but I understand
24 that's not yet available?

25 MR. SHAWN CAMPBELL: That is correct.

1 MS. KATHLEEN MCCANDLESS: And -- and
2 that's going to be complete in December?

3

4 (BRIEF PAUSE)

5

6 MR. SIDDHARTHA PARTI: I'll take that.
7 Yes, the work will start in quarter 3 of this year.
8 We don't have an end date as of -- as of now, but we
9 will file it as GRA 2024.

10 MS. KATHLEEN MCCANDLESS: So, we can
11 expect to see this update in the 2024 GRA?

12 MR. SIDDHARTHA PARTI: Yes.

13 MS. KATHLEEN MCCANDLESS: What is the
14 reason for the delay?

15 MR. SIDDHARTHA PARTI: The reason for
16 the delay was that we are trying to align the
17 benchmarking exercise with our -- our financial -- our
18 financial results, which is where we had to push it to
19 quarter 3, because the results -- by the time the
20 results were coming in, the benchmarking was already
21 completed.

22 So, we had to push it out to quarter 3
23 to incorporate the results from the financials.

24 MS. KATHLEEN MCCANDLESS: And does
25 that make the information more current, more relevant?

1 Is that why you made the change?

2 MR. SIDDHARTHA PARTI: Absolutely.

3 MS. KATHLEEN MCCANDLESS: Yes. So,
4 there were, by my count, and I don't think we need to
5 count each recommendation, but seventeen (17)
6 recommendations in last year's update, and I'm not
7 going to take you through each of them. My question
8 is more general.

9 So, given the flattening of Project
10 Nova and the associated delays in delivery of that
11 project, what level of focus is MPI maintaining on
12 working on these recommendations at this time?

13 MR. SIDDHARTHA PARTI: So, again, I
14 don't have all the seventeen (17) recommendations in
15 front of us, but a lot of those recommendations and
16 majority of those recommendations are fundamental
17 building blocks that are needed to not only assist
18 NOVA, but also the IT of the future.

19 So, the focus is on these initiatives
20 as much as it's on anything else. Now, it is a
21 balancing act, as always, with everything that we do,
22 but the -- the focus on these recommendations is quite
23 -- quite prudent in that sense.

24 MS. KATHLEEN MCCANDLESS: And perhaps
25 you may not want to answer this today, but can we

1 expect when we see the updated report in the 2024 GRA
2 there to have been a significant delay in pursuing any
3 of the Gartner recommendations?

4 MR. SIDDHARTHA PARTI: From what I see
5 on slide 15, I believe they are actually on track for
6 all the recommendations that were made last year.

7 So, you know, continuing with that
8 trend, what I will anticipate is that next year we
9 will be on trend as well with all those
10 recommendations with -- from Gartner.

11 MR. ANTHONY GUERRA: Sorry, just to
12 compare. You're -- you're referring to slide 15 of
13 the --

14 MR. SIDDHARTHA PARTI: Gartner
15 benchmarking report.

16 MR. ANTHONY GUERRA: From this year?

17 MR. SIDDHARTHA PARTI: This year.

18 MR. ANTHONY GUERRA: Okay. Sorry.
19 Ms. Schubert, if that's helpful.

20

21 CONTINUED BY MS. KATHLEEN MCCANDLESS:

22 MS. KATHLEEN MCCANDLESS: Right.

23 Thank you. Now, Kristen, could we please go to PUB-
24 MPI-1-73.

25 And appreciating that this Information

1 Request was directed towards operational benchmarking,
2 I just have some questions about how this may tie into
3 IT.

4 And so, if we could just maybe scroll
5 up to the preamble first, please. So, MPI provided in
6 this GRA that it was considering the most appropriate
7 benchmarking method and would be looking at areas for
8 improvement to maintain optimal service delivery and
9 operational efficiency.

10 And one (1) of the questions was asked,
11 when MPI will select the most appropriate benchmarking
12 method, correct?

13 MR. SIDDHARTHA PARTI: Correct.

14 MS. KATHLEEN MCCANDLESS: And then if
15 we go down to the response to C, MPI selected the most
16 appropriate benchmarking methodology for IT.

17 And so, is that MPI saying that Gartner
18 is the most appropriate? I'm just trying to
19 understand what's intended here.

20 MR. SIDDHARTHA PARTI: So, we believe
21 that -- well, first of all, Gartner is in a multi-year
22 contract with MPI. So, this is year number -- I now
23 have to get -- get this validated by my team, but I
24 believe it's year number 3 Gartner is doing this for
25 us.

1 So, at this stage, Gartner is the
2 organization we are choosing to provide the
3 benchmarking information for us.

4 MS. KATHLEEN MCCANDLESS: And in that
5 same response, MPI states that IFRS 17 and 9 and
6 completion of Project Nova are taking priority over
7 evaluation of operational benchmarking going forward?

8 MR. SIDDHARTHA PARTI: I'll pass this
9 on to Mr. Giesbrecht.

10 MR. MARK GIESBRECHT: Yes. Yeah, what
11 that's referring to is our collaboration with ICBC and
12 SGI on sort of operational benchmarking. And so, as
13 all of these groups are endeavouring to transition to
14 the IFRS standard, it's impacting their ability to
15 collaborate.

16 And so, not with respect to Gartner and
17 the IT side, but the -- just that the Crown
18 benchmarking that we discussed, I believe, last week.

19 MS. KATHLEEN MCCANDLESS: Thank you
20 for clarifying that.

21 BOARD CHAIR GABOR: Sorry, can I
22 interrupt for a second. What date are you using for
23 the completion of Project Nova? It says, "Operational
24 benchmarking provide" -- you're going to review the
25 use of external party operational benchmarker

1 providers following the completion of Project Nova.

2 What date are you using for the
3 completion of Project Nova?

4 MR. MARK GIESBRECHT: Well, I mean,
5 that would be based on the time lines of the -- the
6 revised re-baseline business case. However, in that
7 respect, NOVA doesn't impact, obviously, SGI, ICBC and
8 their ability to collaborate.

9 So, I do expect that -- that IFRS is
10 the larger competing priority in this regard. So, I
11 would -- yeah, I think we can de-emphasize NOVA in
12 terms of our ability to -- to benchmark.

13 BOARD CHAIR GABOR: Yeah. I mean, the
14 concern I have is, if you follow that line, we're
15 talking years from now.

16 MR. MARK GIESBRECHT: Yeah. So, no --

17 BOARD CHAIR GABOR: Twenty (20) years.

18 MR. MARK GIESBRECHT: That -- that is
19 not -- that is not the case. We are also endeavouring
20 to bring back the Aon Ward Group, which is a larger
21 peer group study of all of our functional areas, so
22 that would include IT and all other areas across the
23 Corporation.

24 So, that work has begun and -- and we
25 expect to be available in next year's application.

1 BOARD CHAIR GABOR: Thank you.

2 MR. MARK GIESBRECHT: Yes.

3

4 CONTINUED BY MS. KATHLEEN MCCANDLESS:

5 MS. KATHLEEN MCCANDLESS: Thank you,
6 Mr. Giesbrecht. You actually answered my next
7 question, which was the scope of the engagement with
8 Aon. So, they will be looking at IT benchmarking, as
9 well?

10 MR. MARK GIESBRECHT: Not to the same
11 degree as Gartner, but they do look at, you know, the
12 -- the high-level FTE counts, the costs relative to
13 those same groups within our -- our other peers. It's
14 -- it's more of a holistic approach for the entire
15 Corporation, and IT would be one (1) component of
16 that.

17 MS. KATHLEEN MCCANDLESS: Thank you.
18 Now, I'd like to ask some questions about value
19 management. Can we go to page 6 of part 4, IT.

20 Now, this graphic is a comparison
21 between the traditional and lean Agile approaches for
22 project management, essentially, correct?

23 MR. SHAWN CAMPBELL: Correct.

24 MS. KATHLEEN MCCANDLESS: And, as I
25 understand it, MPI's moving away from the traditional

1 approach and into the lean Agile approach?

2 MR. SHAWN CAMPBELL: Where
3 appropriate, correct.

4 MS. KATHLEEN MCCANDLESS: Specifically
5 with respect to how business cases are used in the two
6 (2) approaches, so if we look at the fifth row down,
7 under 'Traditional Approach':

8 In the traditional approach, overly
9 detailed business cases were
10 prepared based on speculative return
11 on investment.

12 That's how that's described, correct?

13 MR. SHAWN CAMPBELL: That -- that is
14 correct.

15 MS. KATHLEEN MCCANDLESS: And then
16 under the lean Agile approach, "Lean business cases
17 with MVP." So could you tell us what that means?

18 MR. SHAWN CAMPBELL: MVP represents
19 most valuable product.

20 MS. KATHLEEN MCCANDLESS: "Business
21 outcome hypothesis, Agile forecasting, and
22 estimating." Yes?

23 MR. SHAWN CAMPBELL: Yes. Correct.

24 MS. KATHLEEN MCCANDLESS: And now, if
25 we go to value management three (3) -- VM point 3, at

1 page 74. Most of the prior years capital master spend
2 in IT was supported by once per year detailed business
3 cases. Yes?

4 MR. SHAWN CAMPBELL: Yes. Correct.

5 MS. KATHLEEN MCCANDLESS: And so, was
6 that the traditional approach that we just saw?

7 MR. SHAWN CAMPBELL: Yes. Correct.

8 MS. KATHLEEN MCCANDLESS: And prior to
9 this GRA, are you able to say how many initiatives or
10 projects were delivered via the lean business or lean
11 portfolio management agile approach? So not the
12 traditional approach.

13 MR. SHAWN CAMPBELL: Let me confer.

14

15 (BRIEF PAUSE)

16

17 MR. ANTHONY GUERRA: Counsel, I'm told
18 that this will take some time to gather. So maybe
19 it's best by way of undertaking.

20 MS. KATHLEEN MCCANDLESS: So the
21 undertaking would be to provide information about the
22 number of initiatives or projects that were delivered
23 via the lean portfolio management and Agile approach
24 prior to this General Rate Application.

25 MR. ANTHONY GUERRA: Yes, counsel.

1 We'll give the undertaking.

2 MS. KATHLEEN MCCANDLESS: Thank you.

3 DR. BYRON WILLIAMS: Madam Chair, if I
4 could just interrupt for a second. And just in terms
5 of the undertaking, are you looking for prior to the
6 '22/'23 fiscal year? I'm just trying to get my head
7 around kind of what -- what time period. And I was a
8 bit worried about --

9 MS. KATHLEEN MCCANDLESS: Yes. Prior
10 to '22/'23 fiscal.

11 DR. BYRON WILLIAMS: I apologize for
12 interrupting.

13 MR. ANTHONY GUERRA: No, that's fine.
14 That can be clarified. Yes. Thank you.

15

16 --- UNDERTAKING NO. 30: MPI to provide information
17 about the number of
18 initiatives or projects
19 delivered via the lean
20 portfolio management and
21 Agile approach prior to
22 2022/2023 fiscal year

23

24 CONTINUED BY MS. KATHLEEN MCCANDLESS:

25 MS. KATHLEEN MCCANDLESS: Now, if we

1 could look at line 13 here on the screen. Starting at
2 for 2022/'23, the Corporation describes:

3 "The Corporation identified the key
4 focus areas for investment as part
5 of the corporate strategic planning
6 process and established
7 corresponding high level funding
8 envelope amounts for Board approval.
9 The allocation of these funding
10 envelope amounts to specific
11 initiatives and epic's (phonetic)
12 budgets will be approved by the LPN
13 ..."

14 So that would be lean process
15 management committee.

16 "...at monthly meetings where the
17 more detailed initiatives will be
18 supported by completed EHS, WSJF,
19 and LBCs.

20 And I will ask you about those acronyms
21 in a second.

22 First, can you define an 'epic',
23 please.

24 MR. SHAWN CAMPBELL: Yes. Mr.
25 Campbell speaking.

1 So a couple things. Epic represents a
2 description of an initiative of what we're trying to
3 deliver. So you could think of it in legacy terms or
4 old school terms as a -- a project description or a
5 project charter. It's more concise as it focuses on
6 MVP -- sorry, I'll correct myself from previously.
7 MVP stands for minimum viable product.

8 And so, we're looking to actually
9 deliver something upfront and fast, so that the
10 business can see value as soon as possible as opposed
11 to the historic way through waterfall projects of long
12 durations between the time that they ask for something
13 and the time they actually get delivered something,
14 where variability can be introduced. And they don't
15 always receive what they ask for.

16 Going through here, you asked questions
17 about what 'WSJF' stands for. So WSJF is the
18 weightest (phonetic) shortest job first.

19 DR. DARREN CHRISTLE: Excuse me. Can
20 you move the mic right up?

21 MR. SHAWN CAMPBELL: Certainly.

22 DR. DARREN CHRISTLE: Thank you.

23 MR. SHAWN CAMPBELL: WSJF stands for
24 weightest shortest job first. 'LBCs', those stand for
25 lean business cases. And 'LPM' stands for lean

1 portfolio management.

2

3 CONTINUED BY MS. KATHLEEN MCCANDLESS:

4 MS. KATHLEEN MCCANDLESS: And just
5 looking at the previous paragraph, "epic hypothesis
6 statement," what does that mean?

7 MR. SHAWN CAMPBELL: The epic
8 hypothesis statement is basically a statement of what
9 you're trying to achieve, do you want to get out of
10 this initiative.

11 MS. KATHLEEN MCCANDLESS: Will
12 approval of a funding envelope directly translate into
13 budget utilization for the fiscal year?

14 MR. MARK GIESBRECHT: No, not
15 necessarily. It would be subject to the lean
16 portfolio management committee for approval of the
17 specific projects and funds.

18 MS. KATHLEEN MCCANDLESS: For how long
19 has MPI been using epic hypothesis statement, weighted
20 shortest job factor, and lean business cases to manage
21 budgets?

22 MR. MARK GIESBRECHT: For the current
23 fiscal year, this is the first year that we introduced
24 that approach. So 2022/'23.

25 MS. KATHLEEN MCCANDLESS: And for how

1 long has MPI been using epic level funding envelopes
2 for budgeting purposes? The same period of time?

3 MR. MARK GIESBRECHT: Yes.

4 MS. KATHLEEN MCCANDLESS: At the --
5 sort of, going up on the page here, there's -- there
6 should be reference -- oh, I see it right here.

7 Scaled -- to scaled Agile framework. Yes?

8 MR. SHAWN CAMPBELL: Scaled agile
9 framework is the framework that we do follow for
10 Agile, yes.

11 MS. KATHLEEN MCCANDLESS: And can you,
12 maybe at a high level, explain what that is?

13 MR. SHAWN CAMPBELL: Scale Agile
14 framework is an industry standard for how you would
15 organize your processes for delivery. Has to do with
16 how teams get organized.

17 So it starts at a core, where you have
18 teams that deliver. And these teams, they -- they
19 work in a cadence where they take in features and
20 capabilities that they want to deliver. They
21 prioritize it through a weighting action that's based
22 on business value. This then gets encapsulated by a
23 larger management sequence, which is considered
24 portfolio -- or product management.

25 So this helps to organize which epics.

1 So if you think about it, it's -- it comes through
2 filters. Epic is at the broader level, about what do
3 we want to achieve. Inside of epics are features.
4 Those features can then get broken down into actual
5 tasks that you can action, right?

6 This allows us to break down the larger
7 pieces into smaller pieces that are consumable and
8 then we get to prioritize those for delivery.

9 MS. KATHLEEN MCCANDLESS: And how does
10 movement towards the new scaled Agile framework
11 improve on previous value management practices?

12 MR. SHAWN CAMPBELL: The way that we
13 see this improving is that it allows us to deliver
14 technology earlier or changes to -- for the business
15 earlier. So the business can see that value to
16 evaluate whether that change has merit for them so
17 that we can make decisions on whether or not to
18 proceed and continue on down that path.

19 Versus the old school way, which is we
20 would deliver all of these features, spend all of the
21 money upfront, and then we would deliver to the
22 business and they would then have to make due with
23 what they received because it was not always in
24 alignment with everything that they expected.

25 MS. KATHLEEN MCCANDLESS: What level

1 of importance or financial benefit of an initiative or
2 project is necessary in order to determine whether
3 that project or initiative should be approved under
4 the new approach?

5 MR. SHAWN CAMPBELL: There are varying
6 factors that we use in order to understand whether or
7 not we -- we fall into the safe framework for delivery
8 through lean portfolio management.

9 Those factors have to do with the
10 number of teams or areas of business that are
11 impacted, the level of technology impact, whether or
12 not it is a simple operational type change. These
13 factors are all weaved together to understand and
14 weigh whether or not an epic hypothesis needs to come
15 to lean portfolio management.

16 Through that, we will then turn around
17 and understand what the lean business case states for
18 a need for funding.

19 We will then look the lean portfolio
20 management funding envelope that we've set aside to
21 see what funds are available. If there are funds
22 available and the business has deemed that there's
23 merit for this approach, we will then release those
24 funds to that initiative, that epic, that will then
25 bring it in.

1 They will then look to deliver the --
2 what that -- MVP component, that minimum viable
3 product, so that we can see whether or not that epic,
4 which has, for example, ten (10) different things that
5 they want to deliver, they'll focus on the first one
6 that gives merit. They will then deliver that first
7 one to see whether or not that project, that
8 initiative, is trending in the way that they want it
9 to be.

10 If it's not, then it comes back to lean
11 portfolio management for a discussion about whether or
12 not we proceed or not, so, therefore, saving us
13 potentially hundreds of thousands of dollars,
14 depending on how much was assigned to that epic.

15 If it's to proceed, then they move on
16 to the next components, within that -- that
17 initiative.

18 MS. KATHLEEN MCCANDLESS: So, and
19 thank you for that answer.

20 Where, in that sequence, then are go-
21 or no-go decisions made? Is it fluid or is there a --

22 MR. SHAWN CAMPBELL: It's fluid.
23 There's a bunch of guard rails that are set; have to
24 do with whether its viability, financial capability or
25 financial state -- tracking.

1 Also, it has to do with priority of the
2 business and whether or not the MVP itself is -- is
3 trending in the right direction.

4 MS. KATHLEEN MCCANDLESS: Maybe we
5 could just go back to the graphic that I pulled up
6 with the -- yes, thank you.

7 So, just to understand a little bit
8 better the -- the comment on overly detailed business
9 cases, based on speculative return on investment

10 Can you explain why the Corporation --
11 first of all, do you agree with me, I guess, and that
12 the Corporation's position is that the lean business
13 cases, under the lean Agile approach are more
14 effective than the overly detailed business cases
15 based on speculative ROI?

16 MR. SHAWN CAMPBELL: Yes, I would
17 agree.

18 MS. KATHLEEN MCCANDLESS: And I just
19 read into that based on what's provided here, so,
20 speculative ROI perhaps you could just explain what's
21 meant by that.

22 MR. SHAWN CAMPBELL: When we go to
23 build a -- a traditional business case, we have to
24 make a number of assumptions, because there are
25 various things that we don't understand when we build

1 that business case.

2 So, if we look at a business case
3 that's going to bring in a new technology, we have to
4 use indicative pricing from vendors to indicate what -
5 - how much this new product is going to cost when we
6 purchase it.

7 This allows us -- or this sets a -- a
8 range of what that funding looks like for the product,
9 or the software that we're going to buy. But, we
10 don't know yet, because we haven't gone through our
11 value management -- RFP process for procurement.

12 This also -- so that we have
13 variability there at the outset. We then have to make
14 guess -- guesses, or estimates, into what the -- the
15 benefit will be for the business when they receive
16 this technology or these changes.

17 And, some of these changes could be
18 years out, in which case then we are looking into the
19 future about what this could look like using our -- or
20 the information that's available today and based on
21 previous programs.

22 So, again, it's all about estimating
23 and it's -- the reason why it's considered speculative
24 is because if a delivery for a project is taking a
25 number of years, it -- you -- you have a lot of risk

1 and variability that you have to take into
2 consideration with that -- that business case.

3 Whereas if we flip to a Agile process,
4 it's meant to deliver faster, so, as opposed to taking
5 years to deliver the whole package we'll deliver a
6 little bit of a package within a, what's called a
7 program increment. And with MPI, that's a three (3)
8 month window.

9 And so, we'll start to see small
10 deliveries come forward and that the business can
11 start to saying yes, this is trending how we want it
12 to go. It is delivering the value that we see it's
13 going to deliver. It's going to improve process or
14 enable capability that we did not have before in the
15 way that we wanted to, and so it is delivering that
16 expectation which then translates to a -- a financial
17 benefit.

18 MS. KATHLEEN MCCANDLESS: Thank you.
19 Now, Kristen, could we please go to MPI's slide
20 presentation from this morning and I'd like to start
21 just by referring to the organizational chart at slide
22 9.

23 (BRIEF PAUSE)

24

25 MS. KATHLEEN MCCANDLESS: Thank you.

1 And so I think it was Mr. Parti, you explained the
2 change in the organizational structure.

3 MR. SIDDHARTHA PARTI: Correct. Yes.

4 MS. KATHLEEN MCCANDLESS: Are you able
5 to say how many full-time equivalents overall there
6 are in this IT division?

7 MR. SIDDHARTHA PARTI: As of today and
8 -- I believe there are around two hundred and ninety
9 (290) odd full-time staff.

10 MS. KATHLEEN MCCANDLESS: And
11 appreciating this may be appropriate -- more
12 appropriate for the NOVA panel, but does MPI have
13 information about the number of full-time equivalents
14 in the division working on NOVA versus operations?

15 MR. SIDDHARTHA PARTI: I wouldn't have
16 that information on top of my head. We -- we can
17 definitely provide you that breakdown.

18 MS. KATHLEEN MCCANDLESS: Thank you.
19 So that would be to provide a breakdown of the number,
20 pardon me, of full-time equivalents in the IT division
21 working on NOVA versus operations?

22 MR. ANTHONY GUERRA: Yes, counsel,
23 we'll look at the Undertaking.

24

25 --- UNDERTAKING NO. 31: MPI to provide a breakdown

1 of the number of full-time
2 equivalents in the IT
3 division working on NOVA
4 versus operations

5

6 CONTINUED BY MS. KATHLEEN MCCANDLESS:

7 MS. KATHLEEN MCCANDLESS: Last week
8 MPI mentioned that there's a budgeted increase of two
9 hundred and eighty three (283) full-time equivalents
10 forthcoming, and how are each of these divisions
11 expected to change for 2023/'24, based on that
12 budgeted increase?

13 MR. SIDDHARTHA PARTI: We can provide
14 you that breakdown as well, but most of the movement
15 would be in two (2) or three (3) different
16 directorites within this organizational structure.

17 One (1) would be in the software
18 development and operations as we build new
19 capabilities. The other area would be the data
20 management analytics. So those are the two (2) main
21 ones. But we can provide you that breakdown as to --
22 how we -- how that fullcast is going to look like for
23 next year.

24 MS. KATHLEEN MCCANDLESS: Thank you.
25 So that would be to undertake to provide a forecast of

1 the change in the level of full-time equivalents
2 within each IT division or department, based on the
3 budgeted increase of two hundred in full-time -- two
4 hundred and eighty-three (283) full-time equivalents
5 for 2023/'24 fiscal.

6 MR. ANTHONY GUERRA: Yes, Counsel,
7 we'll get the Undertaking.

8

9 --- UNDERTAKING NO. 32: MPI to provide a forecast
10 of the change in the level
11 of full-time equivalents
12 within each IT division or
13 department, based on the
14 budgeted increase of two
15 hundred and eighty-three
16 (283) full-time
17 equivalents for 2023/'24
18 fiscal.

19

20 CONTINUED BY MS. KATHLEEN MCCANDLESS:

21 MS. KATHLEEN MCCANDLESS: Thank you.
22 Slide 10 speaks to the use of consultants, by MPI, and
23 as of March 31, 2022, the third bullet, the trend had
24 increased to sixty-four (64) active consultants for IT
25 and another forty-four (44) to fulfill requirements

1 for NOVA. Is that the current number of consultants?

2 MR. SIDDHARTHA PARTI: As of March the
3 31st, 2022. Yes.

4 MS. KATHLEEN MCCANDLESS: Has the
5 number changed since then?

6 MR. SIDDHARTHA PARTI: I will have to
7 get back on that. I don't have that information.

8 MS. KATHLEEN MCCANDLESS: Okay, so
9 maybe just to update the information found at bullet 3
10 of Exhibit 74, slide 10, to current.

11 MR. ANTHONY GUERRA: Yes, counsel,
12 we'll get the undertaking.

13

14 --- UNDERTAKING NO. 33: MPI to update the
15 information found at
16 bullet 3 of Exhibit 74,
17 slide 10, to current

18

19 CONTINUED BY MS. KATHLEEN MCCANDLESS:

20 MS. KATHLEEN MCCANDLESS: Thank you.
21 Now, I -- I understand that MPI is increasing its
22 staffing complement in the use of consultants in order
23 to deliver on NOVA in the next two (2) three (3)
24 fiscal years. Correct?

25 MR. SIDDHARTHA PARTI: Not only in the

1 delivery of NOVA, but also for other capabilities that
2 we are -- we don't have the -- capabilities and
3 capacity that we don't have today.

4 MS. KATHLEEN MCCANDLESS: And that
5 some of MPI's systems need to run in parallel to
6 development of NOVA. Correct?

7 MR. SIDDHARTHA PARTI: So, yes, so we
8 will have a legacy systems running in parallel as
9 we're developing some of these new technologies. And
10 at some point, the legacy will go away. But as -- for
11 the next few fiscal years, we'll have to manage both
12 demands, yes.

13 MS. KATHLEEN MCCANDLESS: And there
14 will be some knowledge transfer along the way so that
15 once NOVA is operational, there will not be that same
16 -- that need for the same number of full-time
17 equivalents and consultants. Is that fair?

18 MR. SIDDHARTHA PARTI: Absolutely.
19 So, as -- as we mature, as NOVA starts getting to
20 delivering operations, there's going to be a natural
21 shift of knowledge transfer from project into
22 operations, which is what we are gearing towards right
23 now with training our internal staff on -- on the
24 various technologies that are coming into the
25 ecosystem.

1 MS. KATHLEEN MCCANDLESS: And are you
2 able to say, today, over what period of time the
3 Corporation envisions that knowledge transfer to take
4 place such that we could start to see a decrease in
5 reliance on external consultants?

6 MR. SIDDHARTHA PARTI: So, one (1) of
7 the key differentiators that I want to highlight and
8 comparing to how we've done business in the past,
9 where MPI has had a history of having some very, very
10 long-term contractors and over having contractors a
11 number of years, 10, 15, 20 years, perhaps, even.

12 The shift in strategy over the last
13 twelve (12) months has been around short-term
14 contractors with very, very specific statement of
15 goals. So, people that will come in to help us build
16 certain capabilities, bring in certain technologies,
17 six (6) months, twelve (12) months, perhaps, maybe a
18 bit longer.

19 And, in the meantime, we have a very
20 active strategy right now, which is also recognized by
21 Gartner, in training our internal staff on those new
22 capabilities. So, as these contractors come in for
23 short-term gigs, they come in, they train, they build
24 those capabilities, we are training our internal
25 staff, they hand it over to us, for MPI full-time

1 employees, and, then, they move out.

2 So, this is going to be a revolving
3 door, in that sense, for short-term contractors, as we
4 start maturing our processes.

5 Now, I wouldn't be able to commit to a
6 fiscal year as to when this downward trend is going to
7 happen; that totally depends on how successful we are
8 over the next few years but that's the intention and
9 the strategy.

10 MS. KATHLEEN MCCANDLESS: And, so, any
11 further delay in completing NOVA or an increase in
12 scope of NOVA would -- would put that further out into
13 the future.

14 I appreciate you can't predict today
15 but, generally, you would agree with that?

16 MR. SIDDHARTHA PARTI: Yep.

17 MS. KATHLEEN MCCANDLESS: Okay.

18 MR. SIDDHARTHA PARTI: And -- and --
19 and, con -- conceptually, I would agree with that,
20 yes.

21 MS. KATHLEEN MCCANDLESS: Thank you.
22 Those are all my questions for you.

23 THE PANEL CHAIRPERSON: Thank you, Ms.
24 McCandless. I would suggest we take the morning break
25 now so that you're not interrupted, Mr. Williams.

1 DR. BYRON WILLIAMS: Thank you, and
2 I'm quite confident we'll be done before lunch.

3 THE PANEL CHAIRPERSON: Okay. Thank
4 you. Back at 10:25. Sorry. Yes.

5 BOARD CHAIR GABOR: I have a question
6 on your presentation in relation to cyber security. I
7 would rather not do it in open session.

8 Is there someone -- we have a CSI
9 session for NOVA, is there somebody on that panel who
10 can address --

11 MR. SIDDHARTHA PARTI: I'll be there,
12 sir.

13 BOARD CHAIR GABOR: You're on the
14 panel? That's great. Okay. I'll -- I'll keep it
15 till then. Thank you.

16 THE PANEL CHAIRPERSON: Thank you.
17 Yes, please, back at 10:26. Thank you.

18

19 --- Upon recessing at 10:14 a.m.

20 --- Upon resuming at 10:28 a.m.

21

22 THE PANEL CHAIRPERSON: Mr.
23 Williams...?

24

25 CROSS-EXAMINATION BY DR. BYRON WILLIAMS:

1 DR. BYRON WILLIAMS: Thank you, and
2 good morning, members of the PUB Panel, and nice to
3 meet a couple of mem -- new members of the MPI panel
4 as well. And always welcome back, Mr. Giesbrecht.

5 I wonder if we can just go to the
6 twenty (20) -- the most current Gartner report at BMK
7 Appendix 3 and slide 9, just to make sure I have this
8 right.

9 Mr. Parti, in the benchmarking exercise
10 that Gartner performed and that is filed as part of
11 this record, just to make sure I understand, the
12 benchmarks they're using for IT spending and staffing
13 were -- were developed using the 2019/'20 fiscal year
14 data provided by Manitoba Public Insurance, right?

15 MR. SIDDHARTHA PARTI: Yes.

16 DR. BYRON WILLIAMS: Okay. Thank you
17 for that. We're going to go to figure IT App 2-1.
18 And I'm not sure if this is for Mr. Giesbrecht or Mr.
19 -- I suspect it is, but...

20

21 (BRIEF PAUSE)

22

23 DR. BYRON WILLIAMS: Thank you, Ms.
24 Schubert. And if you could just scroll a little bit
25 up -- yeah. Thank you. That's perfect.

1 And to the MPI panel, figure IT App 2-1
2 shows the IT personnel as represented in FTEs for the
3 time period between 2016/'17 and '24/'25, agreed?

4 MR. SIDDHARTHA PARTI: Agreed.

5 DR. BYRON WILLIAMS: And just if we
6 were look -- to look to line 6, that would set out the
7 internal FTE total, agreed, sir?

8 MR. SIDDHARTHA PARTI: Agreed.

9 DR. BYRON WILLIAMS: and then line 7
10 would set out the consultant's total, correct?

11 MR. SIDDHARTHA PARTI: Correct.

12 DR. BYRON WILLIAMS: And then if we go
13 to line 8, that is the addition of lines 6 and 7
14 setting out the total IT personnel in -- inclusive of
15 internal and consultants, correct?

16 MR. SIDDHARTHA PARTI: Correct.

17 DR. BYRON WILLIAMS: Okay. And, sir,
18 let's focus about five (5) columns into the 2019/'20
19 year. The total FTEs in that year, sir, for IT would
20 be three hundred and thirty-six point two (336.2)?

21 MR. SIDDHARTHA PARTI: Not FTEs.
22 Including consultants. The FTEs would be two eighty-
23 one (281), I believe.

24 DR. BYRON WILLIAMS: So -- excuse me.
25 The total of internal FTEs and consultants would be

1 three hundred and thirty-six point two (336.2)?

2 MR. SIDDHARTHA PARTI: That is
3 correct, yes.

4 DR. BYRON WILLIAMS: So that would
5 have been the information provided for the purposes of
6 the Gar -- Gartner benchmarking exercise?

7 MR. SIDDHARTHA PARTI: I believe so,
8 yes.

9 DR. BYRON WILLIAMS: Okay. And so if
10 we move to the -- the right, we see for the 2020/'21
11 year a growth in the -- in -- in the total, being
12 internal FTEs and consultants, to three sixty-one
13 (361), correct?

14 MR. SIDDHARTHA PARTI: Correct.

15 DR. BYRON WILLIAMS: And if we go one
16 (1) more to the right, to the '21/'22 year, we see a
17 growth, again, in the cumulative total of internal
18 FTEs and consultants of three hundred and ninety point
19 one (390.1), correct?

20 MR. SIDDHARTHA PARTI: Correct.
21 That's right.

22 DR. BYRON WILLIAMS: Okay. Ms.
23 Schubert, we're going to stay on this page, but
24 perhaps if you can scroll towards the top if it's...

25 And, Mr. -- Mr. Parti, I'm directing

1 your attention to the first bullet on this page. You
2 -- you'll -- you'll agree that, in terms of the
3 '21/'22 year, there are approximately twenty-six (26)
4 FTEs associated with Project Nova.

5 Is that correct, sir?

6 MR. SIDDHARTHA PARTI: I would have to
7 validate that number with the team, but as per what
8 I'm seeing on the screen, yes, you're right, yeah.

9 DR. BYRON WILLIAMS: And just to be
10 clear, those are consultant FTEs, or they were at that
11 point in time for the '21/'22 year?

12 MR. SIDDHARTHA PARTI: Yes.

13 DR. BYRON WILLIAMS: Okay, if we can -
14 - and so if we were looking back one (1) year, being
15 the '20 to '21 year, the number of consultant FTEs
16 associated with Project Nova -- would be the same or
17 less. Would that be fair?

18 MR. SIDDHARTHA PARTI: Yeah. We'll
19 have to confirm really, yeah.

20 DR. BYRON WILLIAMS: Okay. So what
21 I'm trying to do, sir -- and again, we're trying to
22 understand your benchmarking exercise. So the two (2)
23 years I'd like to check on are the 2019/'20 year --

24 MR. SIDDHARTHA PARTI: Yeah.

25 DR. BYRON WILLIAMS: -- and the

1 2020/'21 year. And I'm -- I'm asking, of the
2 cumulative total of internal FTEs and -- and
3 consultants, how many are Project Nova?

4 MR. SIDDHARTHA PARTI: Right.

5 DR. BYRON WILLIAMS: Okay?

6 MR. SIDDHARTHA PARTI: But, actually,
7 I think they've already taken an undertaking to
8 provide that data in terms of the breakdown of how
9 FTEs and consultants are being divided across NOVA and
10 IT. So that's already an undertaking that we have
11 just taken.

12 MR. ANTHONY GUERRA: So, Mr. Williams,
13 are -- are you satisfied that that would be answered
14 in the previous undertaking, or are you looking for a
15 specific --

16 DR. BYRON WILLIAMS: If it is answered
17 in the previous undertaking, I'm a happy person, but
18 I'm not sure of that.

19 So if the undertaking -- if -- if MPI
20 believes it's satisfied, I -- perhaps it will be to --
21 -understanding that we're looking to understand the
22 NOVA component of the 2019/'20 and 2020/'21 for the
23 purposes of understanding the benchmark --
24 benchmarking information. That's what we're trying to
25 get at, sir.

1 MR. SIDDHARTHA PARTI: One (1) comment
2 perhaps is that -- and -- and if we were to look at
3 the benchmarking report from Gartner for last year,
4 they did not include the NOVA numbers in there. So
5 they have included the NOVA numbers as part of this
6 year's Gartner's report.

7

8 CONTINUED BY DR. BYRON WILLIAMS:

9 DR. BYRON WILLIAMS: Sir, I understand
10 that, but they're using 2019/'20 data for benchmarking
11 purposes, so we're trying to find out how much NOVA --

12 MR. SIDDHARTHA PARTI: Understood.
13 Absolutely. So we can absolutely provide that data.
14 I wouldn't obviously know it as of now.

15 DR. BYRON WILLIAMS: And I'll make
16 that undertaking conditional in the sense, if it's
17 already answered by the prior PUB undertaking, we
18 don't require a separate answer.

19 MR. ANTHONY GUERRA: Yeah, that's
20 fine, Mr. Williams. And sorry to -- can I just ask
21 you to confirm the wording of the undertaking, and
22 then I'll just respond that we will accept it?

23 DR. BYRON WILLIAMS: Yes. For the
24 2019/'20 year, figure App 2-1, of the total of three
25 hundred and thirty-six point two (336.2) cumulative

1 internal FTEs and consultants, how many are associated
2 with Project Nova.

3 BOARD CHAIR GABOR: Yes. Thank you,
4 counsel. We'll give the undertaking.

5

6 --- UNDERTAKING NO. 34: MPI to advise, for the
7 2019/'20 year, Figure App
8 2-1, of the total of three
9 hundred and thirty-six
10 point two (336.2)
11 cumulative internal FTEs
12 and consultants, how many
13 are associated with
14 Project Nova, unless it's
15 already been provided in a
16 previous undertaking.

17

18 CONTINUED BY DR. BYRON WILLIAMS:

19 DR. BYRON WILLIAMS: Mr. Parti -- and
20 again, I don't want to duplicate the previous
21 undertaking, but if we move along figure -- this
22 figure, along line 8 to the four (4) -- the 2022/'23
23 year, will that four hundred and twenty-eight point
24 six (428.6) be current, or will there be additional
25 FTEs in there?

1 MR. SIDDHARTHA PARTI: So that is the
2 forecasted number, and we do not believe that we're
3 going above that.

4 DR. BYRON WILLIAMS: Okay. And
5 likewise for '23/'24, that is your forecasted number.
6 And -- and despite the two hundred and eighty-three
7 (283) FTEs announced last week, you -- that's the
8 number you're sticking with?

9

10 (BRIEF PAUSE)

11

12 MR. MARK GIESBRECHT: It's Mr.
13 Giesbrecht. Just to confirm that question, anything
14 in the initial Application and the various chapters is
15 prior to the finalized budget that we talked about
16 with the expense panel.

17 So the -- the IT division does have
18 some additional FTE in addition to what is represented
19 here, and that -- I believe those are part of some of
20 our undertakings that we took part in last week.

21 DR. BYRON WILLIAMS: And if you -- if
22 they weren't part of last week's undertaking, probably
23 part of this morning's undertaking.

24 Just further to that point, though, Mr.
25 Giesbrecht, just for clarity for the record, of that

1 two hundred and eighty-three (283) additional FTEs,
2 many of them will be outside of the IT units, agreed?

3 MR. MARK GIESBRECHT: That is true.

4 They're --

5 DR. BYRON WILLIAMS: In fact, the --
6 the majority?

7 MR. MARK GIESBRECHT: If you
8 categorize more than 50 percent, yes. IT would be a
9 big component, but there are more obviously across the
10 entire Corporation.

11 DR. BYRON WILLIAMS: Over half of
12 those new FTEs will be outside the IT?

13 MR. MARK GIESBRECHT: That's true,
14 yes.

15 DR. BYRON WILLIAMS: Just if we can
16 scroll down this page for a moment to figure 2.2. And
17 I'll ask the MPI Panel to confirm that this document
18 captures IT personnel costs related to both internal
19 FTE costs and consultant costs for the time period of
20 2019/'20 to 2024/'25, agreed?

21 MR. SIDDHARTHA PARTI: Yes, that's
22 right.

23 DR. BYRON WILLIAMS: And from the
24 period of 2019/'20, the total, including internal and
25 consultants in terms of personnel costs, was in the

1 range of 37.9, or 38 million, sir?

2 MR. SIDDHARTHA PARTI: That is
3 correct.

4 DR. BYRON WILLIAMS: And by '23/'24,
5 inclusive of internal FTEs and consultants, you're at
6 about 51.9 million?

7 MR. SIDDHARTHA PARTI: That's right.

8 DR. BYRON WILLIAMS: And, sir, just to
9 go back to our prior discussion with Mr. Giesbrecht,
10 this would have been the information current at the
11 time the Application was filed?

12 MR. SIDDHARTHA PARTI: That is
13 correct, yes.

14 DR. BYRON WILLIAMS: We would expect
15 it to be higher now?

16 MR. SIDDHARTHA PARTI: I do not have a
17 number in front of me right now to say how much of
18 that hiring has already been undertaken. Again, happy
19 to provide that data.

20 DR. BYRON WILLIAMS: Just
21 directionally, will it be higher, sir?

22 MR. SIDDHARTHA PARTI: Yeah, a lot of
23 that hiring would have been done, but I -- I don't
24 have an exact number for you.

25 DR. BYRON WILLIAMS: That's okay.

1 That's fine. If we can now go to -- to the Gartner
2 report, the benchmarking report and, in particular, to
3 slide 20, please.

4 And in terms of the benchmarking study,
5 Gartner was comparing Manitoba Public Insurance to
6 fourteen (14) insurance industry firms which Gartner
7 consider to be peers?

8 MR. SIDDHARTHA PARTI: Correct.

9 DR. BYRON WILLIAMS: And the benchmark
10 data for these peer firms was taken for 2021, agreed?
11 You see that, sir, the --

12 MR. SIDDHARTHA PARTI: Absolutely.
13 It's said on the document, yes.

14 DR. BYRON WILLIAMS: Okay. And just
15 so our clients can understand this, the -- the peer
16 average information was from the 2021 fiscal year for
17 the fourteen (14) peers, agreed?

18 MR. SIDDHARTHA PARTI: I would assume
19 so, yes.

20 DR. BYRON WILLIAMS: And for Manitoba
21 Public Insurance, the benchmark information was from
22 the 2019/2020 year, correct?

23 MR. SIDDHARTHA PARTI: Correct.

24 DR. BYRON WILLIAMS: We can stay on
25 this page. And, sir, you can see that in slide 20,

1 the enterprise metrics column on the right-hand side.

2 You can see the MPI information being
3 2019/'20, sir?

4 MR. SIDDHARTHA PARTI: Correct.

5 DR. BYRON WILLIAMS: And if I could
6 direct you in the enterprise metrics column to the
7 figure for total operating expenses for Manitoba
8 Public Insurance. That's in the -- is on or -- is
9 about \$1.196 billion. Is that right, sir?

10 MR. SIDDHARTHA PARTI: That is right.

11 DR. BYRON WILLIAMS: Million, sorry.
12 Yeah. Let me try that again.

13 For total operating expenses, that
14 figure appears to be 1.196 million -- billion, sir?
15 Improperly asked. 1.196 billion.

16 Is that correct, sir?

17 MR. SIDDHARTHA PARTI: That is
18 correct, yes.

19 DR. BYRON WILLIAMS: My apologies.
20 Can you just keep that figure in mind for a second.
21 And my -- can we go to the slide 21.

22 And, sir, this -- this slide purports
23 to -- to present the historical trend on IT spending
24 and IT score maturity levels for Manitoba Public
25 Insurance for the period for 2010/'11 through to

1 2020/'21, correct?

2 MR. SIDDHARTHA PARTI: Correct.

3 That's right.

4 DR. BYRON WILLIAMS: And I just want
5 to direct your direction, if I might, to the operating
6 expenses for the 2019/'20 year on -- on this figure,
7 sir. You'll see it's 1.35 billion here, agreed?

8 MR. SIDDHARTHA PARTI: Agreed, yeah.

9 DR. BYRON WILLIAMS: And our clients'
10 just trying to understand, sir, the figure before on
11 the previous page is about 1.196 billion. This figure
12 for the same year is 1.35 billion, so -- agreed?

13 MR. SIDDHARTHA PARTI: Agreed, yeah.

14 DR. BYRON WILLIAMS: So, it's
15 different?

16 MR. SIDDHARTHA PARTI: Yes.

17 DR. BYRON WILLIAMS: Do -- do you
18 understand why or did Manitoba Public Insurance
19 explore why these figures are different?

20 MR. SIDDHARTHA PARTI: We will have to
21 go back to Gartner to get an exact data point on that.
22 We can -- absolutely can get you that information.

23 DR. BYRON WILLIAMS: Okay. And so,
24 just to reconcile the differences in operating
25 expenses employed for the 2019/'20 year between slide

1 20 being 1.96 billion and slide 21 being 1.35 billion,
2 you'll -- you'll undertake to do so?

3 MR. SIDDHARTHA PARTI: We will reach
4 out to Gartner and get a response, yes.

5 MR. ANTHONY GUERRA: Yes, thank you --
6 thank you, Counsel. We'll give the undertaking.

7

8 --- UNDERTAKING NO. 35: For MPI to provide the
9 differences in operating
10 expenses employed for the
11 2019/'20 year between
12 slide 20 being 1.96
13 billion and slide 21 being
14 1.35 billion

15

16 CONTINUED BY DR. BYRON WILLIAMS:

17 DR. BYRON WILLIAMS: And, sir, if the
18 operating expenses are lower than the IT spending as a
19 percentage of op ex would grow. Is that right, sir?

20 MR. SIDDHARTHA PARTI: Sorry, could
21 you repeat that question again, please?

22 DR. BYRON WILLIAMS: Yes. And, sir,
23 you see on this page there's the table. There's an --
24 there is indication of operating expense. There's an
25 indication of IT expense. And you'll see the third

1 row there's IT spending as a percentage of op ex,
2 agreed?

3 MR. SIDDHARTHA PARTI: Agreed, yeah.

4 DR. BYRON WILLIAMS: And what I'm
5 suggesting to you, sir, is that, if the operating
6 expense denominator is lower, than the IT spending as
7 a percentage of op ex would be higher, agreed.

8 MR. SIDDHARTHA PARTI: Agreed, yeah.

9

10 (BRIEF PAUSE)

11

12 DR. BYRON WILLIAMS: Staying on this
13 slide just for a minute, Mr. Parti, we see, as my
14 learned friend representing the Public Utilities Board
15 canvassed, an IT score maturity level for Manitoba
16 Public Insurance for the years 2016/'17 through
17 2020/'21. You see that?

18 MR. SIDDHARTHA PARTI: Yes, I do.

19 DR. BYRON WILLIAMS: And for both the
20 2019/'20 year and the 2020/'21 year, the IT maturity
21 score level for Manitoba Public Insurance was 3.39,
22 agreed?

23 MR. SIDDHARTHA PARTI: Yes, agreed.

24 DR. BYRON WILLIAMS: And as you noted
25 in your opening statement, sir, the IT maturity level

1 for Manitoba Public Insurance is superior to its peers
2 as measured in the Gartner report, agreed?

3 MR. SIDDHARTHA PARTI: That's correct,
4 yes.

5 DR. BYRON WILLIAMS: And, Mr. Parti,
6 when Gartner's doing this comparison, it's comparing
7 Manitoba Public Insurance's IT maturity versus its
8 peers across nine (9) domains, agreed?

9 MR. SIDDHARTHA PARTI: Agreed.

10 DR. BYRON WILLIAMS: And sir, if this
11 is in this report and I've just missed it, I
12 apologize, but is there anywhere in the report where
13 it explains what those nine (9) IT domains are?

14 MR. SIDDHARTHA PARTI: I would have to
15 look through the entire report to give you that, but
16 they can -- we have that information. I've seen that
17 -- those nine (9) IT domains, and we can provide that
18 information.

19 DR. BYRON WILLIAMS: Yeah. And I -- I
20 hate to do that, but I am going to ask for an
21 undertaking in terms of the nine (9) IT domains
22 employed by Gartner Group for peer analysis, please.

23 MR. ANTHONY GUERRA: Yes, Counsel,
24 we'll get the undertaking.

25

1 --- UNDERTAKING NO. 36: For MPI to provide the
2 nine (9) IT domains
3 employed by Gartner Group
4 for peer analysis
5

6 CONTINUED BY DR. BYRON WILLIAMS:

7 DR. BYRON WILLIAMS: Regretfully, Mr.
8 Parti, my learned friend stole all my thunder on
9 slides 12 and 13, so I'll -- I'll move on. And I
10 think these questions go to Mr. Giesbrecht, but you'll
11 -- you'll redirect me if I'm wrong.

12 Mr. Giesbrecht, Manitoba Public
13 Insurance is moving increasingly to a benchmarking --
14 sorry, a balanced scorecard approach in terms of
15 monitoring its performance?

16 MR. MARK GIESBRECHT: That's a fair
17 statement. Yes.

18 MR. BYRON WILLIAMS: But performance
19 indicators or key performance indicators are still
20 currently an important aspect of how Manitoba Public
21 Insurance reports to the Minister or to the public.

22 Agreed?

23 MR. MARK GIESBRECHT: Agreed.

24 MR. BYRON WILLIAMS: And if I could
25 direct Ms. Schubert to part 8, AR Appendix 5, which is

1 the annual business plan for Manitoba Public Insurance
2 for the '22/'23 year.

3 Mr. Giesbrecht, first of all, you see
4 this document, you're familiar with this document?

5 MR. MARK GIESBRECHT: Yes, I am.

6 MR. BYRON WILLIAMS: And this, of
7 course, is part of the reporting requirement for --
8 for your Minister, correct?

9 MR. MARK GIESBRECHT: That's right.

10 MR. BYRON WILLIAMS: And I wonder if
11 we can turn to page 16 of -- of this document.

12 And Mr. Giesbrecht, when we look at
13 page 16 of your annual business plan as reported to
14 the Minister, what you set out on this page are the
15 strategic key performance indicators for Manitoba
16 Public Insurance as reported to the Minister for the
17 '22/'23 business year?

18 MR. MARK GIESBRECHT: Yes, that's
19 correct.

20 MR. BYRON WILLIAMS: And, Mr.
21 Giesbrecht, without getting into a lot of detail, some
22 of these measures are reported annually, some are
23 reported monthly. Agreed?

24 MR. MARK GIESBRECHT: That's right.

25 MR. BYRON WILLIAMS: In terms of the

1 strategic KPIs as set out in this business case, would
2 it be fair to say that the overall level of corporate
3 FTEs -- full-time equivalents -- is not a strategic
4 key performance indicator in the '22/'23 business
5 plan, Mr. Giesbrecht?

6 MR. MARK GIESBRECHT: It's not a
7 specific indicator. The FTEs are reported on and they
8 would be a part of our operating expenses and our
9 (INDISCERNIBLE) expense ratios. So they would be,
10 obviously, informing some of those ratios.

11 But them specifically are not a -- a
12 KPI included in this -- this table.

13 MR. BYRON WILLIAMS: I don't think we
14 need to turn there but, Mr. Giesbrecht, by contrast,
15 if we went to the 2021 annual report of Manitoba
16 Public Insurance, corporate full-time equivalents
17 would be one of the -- the performance measures
18 reported on through your annual reports?

19 MR. MARK GIESBRECHT: I say a
20 discussion point, given that it is a -- such a
21 significant component of our operating expenses.

22

23 (BRIEF PAUSE)

24

25 MR. BYRON WILLIAMS: Again, Mr.

1 Giesbrecht, I don't think I need to take you there.

2 But if you need a reference, I can.

3 Actually, perhaps we should go there.

4 To the MPI Exhibit 63, the most recent annual report.

5 And specifically, to page 10 and then we'll go to page

6 11.

7

8 (BRIEF PAUSE)

9

10 MR. BYRON WILLIAMS: Again, the -- Mr.

11 Giesbrecht, you'll be familiar with -- with this

12 information. These are the -- if you could just go to

13 the top of that page for just one (1) second, Ms.

14 Schubert.

15 These are the corporate performance

16 measures and targets as reported in your most recent

17 annual report?

18 MR. MARK GIESBRECHT: Yes, that's

19 right.

20 MR. BYRON WILLIAMS: Okay. We can go

21 to the next page, Ms. Schubert.

22 And there, under 'operational

23 excellence', you'll see, for example, total full-time

24 equivalents, Mr. Giesbrecht?

25 MR. MARK GIESBRECHT: I do.

1 MR. BYRON WILLIAMS: Okay. Can we go
2 down for a moment to under 'organizational health'?

3 And, Mr. Giesbrecht, directing your
4 attention to organizational health, underneath that,
5 'employment engagement'.

6 What Manitoba Public Insurance is
7 reporting in 2021 is that it -- it scored 81 percent
8 as compared to its target of 80 percent. Agreed?

9 MR. MARK GIESBRECHT: Yes, agreed.

10 MR. BYRON WILLIAMS: And just at a
11 high level -- we don't need details -- but this is a
12 considerable improvement from your last survey in
13 2018. Agreed?

14 MR. MARK GIESBRECHT: Yes, it was.
15 Yes.

16 MR. BYRON WILLIAMS: You're about 10
17 percent higher.

18 MR. MARK GIESBRECHT: I believe so.
19 Yes.

20

21 (BRIEF PAUSE)

22

23 MR. BYRON WILLIAMS: Mr. Giesbrecht,
24 I'm definitely not looking for an undertaking. But if
25 one was looking on the record of this proceeding for a

1 place where Manitoba Public Insurance summarizes their
2 performance measures and targets, including for IT,
3 the process how they're set and developed, and how
4 they're measured and adjusted to, is there any place
5 like that on the record, to your knowledge?

6 MR. MARK GIESBRECHT: I think what you
7 find is that they're -- they're embedded in various
8 areas across the Application.

9 But to your point, I don't believe
10 there would be consolidated listing of every single
11 important measure for the Corporation, no.

12 MR. BYRON WILLIAMS: Okay. Does the
13 Corporation itself have a document like that, Mr.
14 Giesbrecht?

15 MR. MARK GIESBRECHT: Well, we are in
16 the process of evolving and redefining our overall key
17 performance indicators and dashboards.

18 As we talked about last week, within
19 the -- the finance area, we are looking to build a
20 financial planning and analysis directorate. And that
21 will be the exact -- or one (1) of the key
22 deliverables of that exact area is to evolve, refine,
23 and improve upon these different measures and how we
24 report on them as well.

25 MR. BYRON WILLIAMS: So as -- as we

1 sit here today though, Mr. Giesbrecht, would it be
2 fair to say that there's no consolidated document that
3 sets out the performance measures, how they're
4 developed, how they're measured, and actions taken to
5 adjust to those measures?

6 MR. MARK GIESBRECHT: I wouldn't say
7 there's no -- there's no document. But they are in --
8 in various forms, as we see here within the annual
9 report, within the business plan, we have these
10 various metrics.

11 And then, we also -- we have drill-
12 downs into our different divisions and different KPIs
13 for all of our different areas.

14 So it is, like I mentioned, you know,
15 scattered to some degree. And so, there's some work
16 to do to consolidate those different KPIs.

17 MR. BYRON WILLIAMS: And thank you for
18 that adjective 'scattered'. That's exactly the one
19 that I was looking for, sir.

20

21 (BRIEF PAUSE)

22

23 MR. BYRON WILLIAMS: If we could go
24 back to the '22/'23 business plan, AR Appendix 5, page
25 16, for a moment.

1 (BRIEF PAUSE)

2

3 MR. BYRON WILLIAMS: Mr. Giesbrecht,
4 under 'efficiency and effectiveness', you'll -- or
5 beside 'efficiency and effectiveness', you'll see that
6 one of the objectives in the '22/'23 year is to reduce
7 operating expenses. Do you see that, sir?

8 MR. MARK GIESBRECHT: I do.

9 MR. BYRON WILLIAMS: And one of the
10 measures for that is admin op ex percentage-wise.
11 Agreed?

12 MR. MARK GIESBRECHT: Yes.

13 MR. BYRON WILLIAMS: And that's a
14 measure that's reported on on a monthly basis?

15 MR. MARK GIESBRECHT: Yes.

16 MR. BYRON WILLIAMS: And by way of
17 undertaking, would Manitoba Public Insurance have the
18 admin op ex -- a summary of them for the '22/'23 year,
19 sir?

20 MR. MARK GIESBRECHT: Yes, we can
21 provide that.

22 MR. BYRON WILLIAMS: Mr. Guerra, was
23 that sufficient, or would you like me to repeat that?

24

25 (BRIEF PAUSE)

1 MR. ANTHONY GUERRA: Sorry. So just
2 to confirm, Counsel, for the '22/'23 fiscal year, we
3 would have data up until -- of this month, right? So
4 that would be the undertaking, to provide from --

5 MR. BYRON WILLIAMS: Yes. And it's
6 just solely for admin op ex percentage. The most --
7 for the -- for the current fiscal year. As current as
8 you have.

9 MR. ANTHONY GUERRA: Yes, Counsel, we
10 can give that undertaking.

11

12 --- UNDERTAKING NO. 37: Manitoba Public Insurance
13 provide the admin op ex, a
14 summary of them, for the
15 '22/'23 year

16

17 CONTINUED BY DR. BYRON WILLIAMS:

18 DR. BYRON WILLIAMS: Mr. Giesbrecht,
19 you recall a conversation with counsel for the Public
20 Utilities Board earlier today about the shift towards
21 how Manitoba Public Insurance approaches its
22 information technology capital budgeting in the
23 '22/'23 year. Do you recall that conversation?

24 MR. MARK GIESBRECHT: Yes.

25 DR. BYRON WILLIAMS: And, as I

1 understand it, for the '22/'23 year, in terms of the
2 high level funding envelope, there's twenty-three
3 million dollars (\$23,000,000) in seed money, is that
4 correct, sir, to your understanding?

5 MR. MARK GIESBRECHT: Subject to
6 check, that sounds reasonable. It's typically between
7 twenty (20) and twenty-five (25) would be our -- our
8 typical annual spend.

9 DR. BYRON WILLIAMS: And, sir, you had
10 a considerable discussion, that might have been with
11 Mr. Campbell as well, but in terms of those beloved
12 words 'epic hypotheses, weighted shortest job first
13 and LBCs', you -- you recall that conversation earlier
14 today?

15 MR. MARK GIESBRECHT: I recall that
16 dialogue with PUB counsel, yes.

17 DR. BYRON WILLIAMS: And, my
18 understanding is that at your monthly meetings, in
19 terms of some of the more complicated projects, those
20 are some of the tools and templates that you used to -
21 - to authorize those expenditures. Agreed?

22 MR. MARK GIESBRECHT: Yes. The
23 committee would be presented with the -- the details
24 of the initiative, including the -- the, you know, the
25 estimate of the costing, what the benefits are -- all

1 -- all those financial aspects, so they can make an
2 informed decision on -- and whether that initiative
3 should enter into the LPM funnel.

4 DR. BYRON WILLIAMS: Okay. And just
5 for illustrative purposes, I wonder if Ms. Schubert
6 can turn to VM appendix 2, BI-3 Cloud EHS.

7 And, Mr. Giesbrecht, not that we need
8 to go into it, but when -- when you're talking about a
9 -- epic -- epic hypotheses statement, there's one
10 right in front of us. Agreed?

11 MR. MARK GIESBRECHT: Agreed.

12 DR. BYRON WILLIAMS: Okay. I want to
13 turn to a little bit farther on in this document to
14 the weighted shortest job first criteria, which is a
15 bit farther down, one more page, I believe, Ms.
16 Schubert, one more page down. It's an appendix. They
17 -- no -- keep -- go down one more page please. It
18 should be 2A, then.

19 Mr. Giesbrecht, this is what Manitoba
20 Public Insurance is referring to when it's talking
21 about the weighted shortest job first calculation?

22 MR. MARK GIESBRECHT: Yes.

23 DR. BYRON WILLIAMS: And at a really
24 high level, Manitoba Public Insurance is working on a
25 scale of one (1) to eight (8). Is that right, sir?

1 MR. MARK GIESBRECHT: You know, I'm --
2 I'm not sure of the exact scale. If it -- if it is to
3 eight (8), off the top of my head I'm not -- I'm not--

4 DR. BYRON WILLIAMS: Mr. Parti? One
5 (1) to eight (8), if we go through all these documents
6 we're going to see the numbers one (1) through eight
7 (8), is that fair?

8 MR. SIDDHARTHA PARTI: I would say
9 that's a fair statement, yes.

10 DR. BYRON WILLIAMS: And just for my
11 clients' understanding, would number eight (8) be the
12 highest score and number one (1) the lowest score?

13 MR. SIDDHARTHA PARTI: That is
14 correct.

15 DR. BYRON WILLIAMS: Thank you. And
16 in the -- just one (1) last question on this.

17 In the weighted shortest job first
18 evaluation, if -- if one is a proponent for a project,
19 do you want a score of four (4) or do you want a score
20 of fourteen (14)? Like what's -- do you want a higher
21 score, sir?

22 If you're trying to push a project
23 through, do you want the high score?

24 MR. SIDDHARTHA PARTI: We have never
25 had to push a project through, but --

1 DR. BYRON WILLIAMS: Of course not --

2 MR. SIDDHARTHA PARTI: -- a -- a

3 higher rating would be --

4 DR. BYRON WILLIAMS: -- that has never

5 -- never happened in court in history.

6 MR. SIDDHARTHA PARTI: -- but, yes, the

7 higher number would make more sense, yes.

8 DR. BYRON WILLIAMS: Okay. So, this

9 particular project is a -- a relatively low -- lowly -
10 - low ranked project, being at 4.3.

11 MR. SIDDHARTHA PARTI: I would not say

12 -- I -- I would not categorize it as a low value

13 project or -- or low impact project. It is a project

14 that needs to be done. Yeah.

15 DR. BYRON WILLIAMS: Just a few more

16 questions for the MPI panel. And, Mr. Giesbrecht,

17 just 'cause you've been here longer, I'll throw this

18 one at you.

19 There has been some conversation over

20 time about whether or not Manitoba Public Insurance

21 might consider transitioning a vehicle registration

22 and insurance from the five-year renewals to an annual

23 term -- or -- are -- you've heard that in the past,

24 sir?

25 MR. MARK GIESBRECHT: Yes.

1 DR. BYRON WILLIAMS: And, has Manitoba
2 Public Insurance reached a decision on that to date?

3 MR. MARK GIESBRECHT: I -- I believe
4 we have, but I would need to confirm with -- with our
5 experts that are -- are working on that -- that
6 project.

7 I believe -- I believe that is
8 anticipated in terms of -- with Project NOVA coming
9 online but we'll just confirm that. I'll seek to
10 confirm that with -- with our back panel. So, we can
11 maybe come back to that once we have that answer.

12 DR. BYRON WILLIAMS: Yeah. Okay, well
13 -- let -- Mr. Giesbrecht, let's move on because I
14 don't think it's a -- a complicated answer and we'll -
15 - we'll come back to it.

16 I wonder if I can turn to part 4, value
17 manage -- management, appendix 10.

18 Mr. -- Mr. Giesbrecht, you'll be aware
19 that this -- this -- this appendix sets out Manitoba's
20 determination of cost of capital for value management
21 business cases. Agreed?

22 MR. MARK GIESBRECHT: Yes, in order to
23 determine the discount rate applied to the -- the
24 financial analysis.

25 DR. BYRON WILLIAMS: And, sir, is --

1 this document a -- a relic, in the sense that you're -
2 - you're moving to the -- to different mechanisms to -
3 - to determine value for projects, or is it something
4 that you would anticipate living vibrantly on in the -
5 - into the future?

6 MR. MARK GIESBRECHT: It -- it's still
7 necessary. We -- we are utilizing different metrics
8 at different stages of project development. So, in
9 the early stages the -- the WSJF is that -- that one
10 we've just been talking about, but also a discount
11 rate in MPV will continue to be important elements of
12 -- of various programs.

13 DR. BYRON WILLIAMS: So, when we
14 looked at the budgeting information set out in the
15 value management appendixes for -- if we were to look
16 at all those projects, we would not see an MPV
17 calculation in those projects, sir, would we?

18 MR. MARK GIESBRECHT: Depends on what
19 stage at that -- that they're -- they're at. As
20 they're entering the funnel, they're utilizing that --
21 that WSJF which is that -- that -- understanding, what
22 is the cost to delay relative to the effort it takes
23 to deploy that program.

24 So, that's -- that's one (1), you know,
25 assessment and -- and really, in terms of the Agile

1 approach, understanding what should be first
2 prioritized for further exploration and so -- you
3 know, we are also developing, you know, at -- at what
4 different gates does a -- a larger MPV become part of.

5 So, I -- those -- those enter through
6 the lean portfolio management and they're -- they're
7 also will be that requirement to do further analysis
8 as that program is ongoing.

9 DR. BYRON WILLIAMS: Okay. And, sir,
10 in terms of the MPI determination of cost of -- of
11 capital, Ms. Schubert, perhaps you could scroll up
12 just on this page for a little -- oh, scroll down, my
13 apologies.

14 My -- I'll -- I'll suggest to you, sir,
15 and ask you to confirm that cost of capital undergoes
16 a -- a regular review?

17 MR. MARK GIESBRECHT: It's an annual
18 review. Yes.

19 DR. BYRON WILLIAMS: Okay. And given
20 changes in -- in interest rates and -- and otherwise,
21 do you expect the cost of capital to remain static for
22 the '22/'23 year?

23 MR. MARK GIESBRECHT: It -- it -- it
24 changes on the assessment and there are a number of
25 inputs that go into it, so it -- it does change and,

1 of course, market factors, including interest rates,
2 inflation, as -- as well as other levels of
3 profitability of peer groups that will impact that --
4 that figure.

5 DR. BYRON WILLIAMS: And I have
6 another question on this but I think it's probably
7 more appropriate to the Project Nova Panel but we'll -
8 - just a head's up, Mr. Giesbrecht, we'll be wanting
9 to understand the inflation assumptions used for the
10 calculation of the MPV for Project Nova.

11 There's one (1) question outstanding,
12 Mr. Giesbrecht. Do you -- do we have an answer in
13 terms of the --

14 MR. ANTHONY GUERRA: Not yet. We're
15 still waiting for our back row to confirm but, while
16 we do, I just noted that there was, in Mr.
17 Giesbrecht's comment a few moments ago, he said -- he
18 said WSJF, and -- and I think our court reporter is
19 probably shaking her head as to what that might have
20 meant. So, can you maybe just confirm that you -- you
21 meant?

22 MR. MARK GIESBRECHT: That's the
23 acronym. The WSJF, Weighted Shortest Job First --

24 MR. ANTHONY GUERRA: Thank you.

25 MR. MARK GIESBRECHT: -- that we talked

1 about earlier. Yes. My apologies.

2

3 CONTINUED BY DR. BYRON WILLIAMS:

4 DR. BYRON WILLIAMS: I'm just about
5 ready to conclude my -- my examination. I -- I guess
6 I'm wondering, in terms of an annual re -- renewal of
7 insurance versus once every five (5) years, do we
8 expect that will make consumers happy?

9 MR. MARK GIESBRECHT: You know, I
10 think that I -- I can try to answer the best as I can.
11 That's probably put forward for maybe our operational
12 and customer teams.

13 But, you know, the -- the reality is,
14 in terms of, you know, the annual pricing process, the
15 annual renewal process, the -- the five (5) years was
16 more so tied to the requirement to renew your driver's
17 licence and have a picture taken but the -- the annual
18 of the insurance was, you know, it's repriced every
19 year -- year through this process and, so, the reality
20 is, every year, there is a renewal, generally
21 speaking, in terms of -- of adjusting the premium
22 required for that next rating year.

23 And, so, I -- I would see, really,
24 little impact to the customer in moving that to -- to
25 every year, because it's -- there's not a major change

1 in their interaction with a broker or a service
2 centre.

3 DR. BYRON WILLIAMS: Well, to the
4 extent that a customer chose not to change their
5 coverage, they could avoid interacting with a -- a
6 broker or the service centre for -- for a number of
7 years? Agreed?

8 MR. MARK GIESBRECHT: Yes.

9 DR. BYRON WILLIAMS: So, by moving to
10 annual renewals, would we expect a increased cost in
11 terms of commissions, whether online or in person
12 broker transactions?

13 MR. MARK GIESBRECHT: Again, I would
14 need to confirm this, but I don't believe that there
15 would be a requirement to visit the service centre or
16 the broker on -- on a more frequent basis. If, you
17 know, there's the automatic renewal, and customers,
18 unless they wish to make changes to that, they do not
19 need to make a visit.

20 DR. BYRON WILLIAMS: So, unless
21 they're opting to change their coverage, they
22 wouldn't, in essence, need to make a visit or go
23 online to -- to do anything? Is that what you're
24 saying?

25 MR. MARK GIESBRECHT: Yes. I believe

1 so.

2 DR. BYRON WILLIAMS: And my apologies
3 for those very imperfectly worded questions, Mr.
4 Giesbrecht, at the end but, thank you for that, and
5 thank you to the MPI Panel.

6 MS. JENNIFER SOKAL: Good morning. We
7 have no questions.

8 THE PANEL CHAIRPERSON: Okay. Thank
9 you, Ms. Sokal. Mr. Gabor...?

10 BOARD CHAIR GABOR: I'll apologize,
11 ahead of time, for my imperfect questions.

12 I -- I want to ask -- ask questions in
13 relation to decision-making. Ms. Giesbrecht (sic),
14 can you pull up that -- in the Gartner Report, and it
15 was the slide 9, which is Exhibit 8.

16 Can you go over, again, why the IT
17 service manager process review was out of scope?

18

19 (BRIEF PAUSE)

20

21 MR. SIDDHARTHA PARTI: Our panel is
22 framing the response for that.

23 BOARD CHAIR GABOR: Okay, and --

24 MR. SIDDHARTHA PARTI: I'll -- I'll
25 get back to you in a minute --

1 BOARD CHAIR GABOR: -- and -- and,
2 while they're doing it, who actually makes the
3 decision on this?

4 MR. SIDDHARTHA PARTI: So, that would
5 be part of my -- one (1) of my directorates, which is
6 the strategy, sourcing, and (INDISCERNIBLE)
7 management. That is the team that's -- that works
8 with Gartner on the IT benchmarking exercise but I'll
9 -- I'll do -- I'll get an answer -- and I believe that
10 this was also discussed at the last PUB and, if I
11 recall correctly -- I'm getting the responses here,
12 now, that we were aligning the years. Fiscal was
13 always one year behind, is what I was -- is what I'm
14 being told right now, so.

15 BOARD CHAIR GABOR: Okay. So, in
16 terms of next year, are we getting a Gartner
17 benchmarking report?

18 MR. SIDDHARTHA PARTI: That is
19 correct. Yes, we will.

20 BOARD CHAIR GABOR: Okay. Okay, and
21 will the service managing process review be part of
22 that report?

23 MR. SIDDHARTHA PARTI: Sorry. Just
24 one (1) second.

25 BOARD CHAIR GABOR: Yes.

1 MR. SIDDHARTHA PARTI: Yes. Both
2 financial and maturity. Absolutely, it will be part
3 of their report.

4 BOARD CHAIR GABOR: It will be part of
5 their report next year. Okay.

6 Mr. Campbell, you stated, I don't know
7 if I've got this complete, one (1) factor to decide on
8 funding, and I don't know if that's a program or a
9 project, is whether MPV is trending in the right
10 direction. Is that correct?

11 MR. SHAWN CAMPBELL: Yes, that's
12 correct.

13 BOARD CHAIR GABOR: Well, earlier on
14 in the -- in the hearing, your President was talking
15 about Project Nova, and it was pointed out that the
16 MPV has changed considerably, by approximately \$200
17 million.

18 And -- and, I believe, the position of
19 MPI is that there's cert -- certain items where MPV
20 really isn't a critical factor and they look at a
21 whole series of things.

22 So, in terms of this, at what point is
23 MPV a factor when you consider trending for the
24 funding, and -- and at what points is it not an
25 important factor?

1 MR. SIDDHARTHA PARTI: I think MPV is
2 always an important factor and -- and the guidance
3 that any project or any initiative should be
4 referencing to.

5 Specifically, with regards to NOVA, I
6 think Mr. Herbelin said the same thing as part of his
7 cross and his part -- presentation, not implementing
8 NOVA, seriously puts MPI to risk, from a business
9 sustainability standpoint.

10 The public insurance model that MPI
11 provides to Manitobans, not bringing in the
12 capabilities that NOVA is bringing in to the core
13 business change and transformation, it seriously
14 hampers and risks the -- the MPI business model.

15 Now, would we have done it, if it was a
16 negative M -- MPV and if we had known? Absolutely.
17 We have to because that's about a sustainability
18 issue.

19 Now, when the project was originally
20 conceptualized, and that was way before my time at
21 MPI, and even Mr. Herbelin's time, the project was
22 conceptualized as a positive MPV program.

23 As we have learned over the last few
24 years that there is no way to implement a program of
25 this size, complexity, and -- and maintain a positive

1 MPV and -- and that's what we are -- and that was Mr.
2 Herbelin's comment around it and that's the position
3 we have.

4 Now, to answer your question, Mr.
5 Gabor, particularly, yes, MPV should be a -- a
6 reference, a guidance for anything that we do, but not
7 every program, not every project, not every initiative
8 would have a positive MPV. It just depends on the
9 complexity of the -- of the initiative.

10 BOARD CHAIR GABOR: I appreciate those
11 comments, Mr. Parti. If you have a program -- and I
12 don't know if this is Mr. Campbell or -- or Mr. Parti.

13 If you have a program that -- that is
14 required as part of NOVA or integrated into NOVA but
15 it's -- it does not have a neg -- does not have a
16 positive MPV on its own, how do you -- how do you
17 determine what the levels -- I'm -- I'm -- I'm
18 following Mr. Williams, so I'm not doing this
19 precisely.

20 Are there certain programs where you
21 can look at the MPV but what they are is actually
22 irrelevant because you need them as part of NOVA?

23 MR. SIDDHARTHA PARTI: I think if --
24 I'm trying -- I'm trying to understand the question.
25 The way I'll try to respond to that is that this MPV

1 will be looked at, but then there's a bunch of other
2 factors that will also be considered whether that
3 particular initiative is worth proceeding with or not.

4 A good example would be a technology
5 that is end of life, completely. Right. So here's no
6 more support from the vendor and, you know, and that's
7 putting MPI at risk.

8 So, with that -- if that program as we
9 -- when we do the budget calculations and the business
10 case if it has a negative MPV, there is but no option
11 but to proceed with it because that's very important
12 for the sustainability of the technology ecosystem, as
13 an example, and whatever else we are trying to do.

14 So to my earlier point that, yes, MPV
15 is always going to be looked at, but there would be a
16 number of initiatives across the organization that
17 perhaps would not have a positive MPV just because
18 they're so fundamental in -- in nature and -- and for
19 our success, whether it's for NOVA, whether it's for
20 any other things that you're trying to do within the
21 information technology program.

22 BOARD CHAIR GABOR: So, would it be
23 correct to say that whether MPV is trending in the
24 right direction may or may not have the same level of
25 significance depending on what that program is doing?

1 MR. SIDDHARTHA PARTI: I would say
2 that it's -- it's a big part of how we look at things
3 and we want programs and projects to be positive MPV,
4 obviously, because you want a return on investment.
5 We wanted to have, you know, that -- those kind of
6 business cases.

7 But the reality is that not every
8 single business case that we would implement or any
9 corporation for that matter, I'm not even singling out
10 MPI, they would never have a positive MPV in every
11 single instance.

12 So, really the -- the way to look that
13 -- look at that perhaps is that our intention or
14 ambition is to have positive MPV programs, and
15 projects, and initiatives. But we also need to look
16 at various other factors in terms of risk, in terms of
17 sustainability, in terms of moving the needle forward
18 with technology ecosystems.

19 And based on -- based on all of those
20 parameters, and perhaps even more, we would then take
21 a call whether this is actually a viable program or a
22 project to initiate or not.

23 BOARD CHAIR GABOR: Okay. Thank you.
24 I -- I've got a question. I'm not sure if it's Mr.
25 Giesbrecht or Mr. Parti.

1 Your technology committee is meeting in
2 November. Is that correct?

3 MR. SIDDHARTHA PARTI: That is
4 correct, yes.

5 BOARD CHAIR GABOR: And will they be
6 getting a report on IT and Value Management?

7 MR. SIDDHARTHA PARTI: I do not
8 remember the exact agenda. I don't believe it's on --
9 IT and value management is under one (1) of the topics
10 for -- for the -- for that particular session. But I
11 -- we can always get back on -- on the agenda.

12 BOARD CHAIR GABOR: Okay. In terms of
13 the information we received this morning, is there any
14 idea whether that information will be updated for the
15 technology committee, because a lot of this
16 information is from March, some of it is from August?

17 MR. MARK GIESBRECHT: Which
18 information, in particular, are you referring to?

19 BOARD CHAIR GABOR: Well, here --
20 here's the concer -- I'll just put the concern down,
21 Mr. Giesbrecht.

22 We're asked to make decisions now based
23 on decisions made by the technology committee and the
24 board about ten (10) months ago.

25 And the question is: In terms of the

1 information we're receiving now on NOVA and other
2 items, the question I have is: Is the information
3 we're receiving going to be changed for a board
4 meeting less than a month from now, which means in the
5 2024 GRA our information is going to be ten (10)
6 months out of date?

7 I just want to make sure we have the
8 most recent information available; not that we have
9 information that was from six (6) months ago that's
10 going to be, you know, up to sixteen (16) months late
11 -- out of date.

12 So, I -- I don't know how to ask that
13 question, but I -- you know, it -- it is -- it is a
14 concern that we are continually behind in -- in
15 receiving information.

16 I'm not suggesting that you're
17 misleading us or whatever, but I am concerned, you
18 know, and I'll put it on the record, I am concerned
19 that we -- you know, we were in a hearing last year
20 before we made a decision -- issued an Order, there
21 was a technology committee meeting where it appears
22 that information that we received in the hearing was
23 completely out of date. Now, primarily in relation to
24 NOVA.

25 I'm just trying to figure out how we

1 ensure that we actually get current information.

2 MR. MARK GIESBRECHT: If I may start
3 to -- to address that question and let my colleague
4 also respond.

5 But firstly, I would say that in terms
6 of what's been put in front of our Board, if we look
7 at our -- our budget, our operating expenses, our
8 staffing levels, those were all put to our Board
9 September 29th, so that -- those are all current and -
10 - and recently approved by the Board from that
11 perspective.

12 I don't want to speak on behalf of --
13 of NOVA, but there -- there's no changes in our budget
14 or anything that we see on the horizon that we know
15 today. That would be a -- a change from our -- our
16 current -- we based and it's been part of these
17 proceedings.

18 BOARD CHAIR GABOR: Okay. I just
19 specifically note, when we had -- at the hearing last
20 year we were told the cost of NOVA was \$130 million
21 including contingency and we were given, what I
22 thought were levels of assure -- assurance that there
23 was control of NOVA. Yes, there were mistakes before.
24 Mr. Parti was just starting with the Corporation, so
25 we didn't have the benefit of his expertise, but we

1 were told \$130 million from \$108 million.

2 In January your president testified
3 before a committee of the legislature that the cost
4 was \$150 million. This year we're told that it's --
5 there's a range but, you know, roughly it could be
6 \$275 million. It causes us a problem.

7 So, going forward, I would like to know
8 that the numbers going to the committee, that's what
9 we're dealing with right now so that we -- when we
10 write an Order we don't find out a few months later
11 that the numbers we based our Order on are no longer
12 relevant.

13 MR. ANTHONY GUERRA: Yes, and
14 unfortunately, I think we're opening up a can of worms
15 here because we're talking also about some structural
16 issues with the way in which we -- you know, we file
17 our Application in July.

18 And a lot of the material that you've
19 seen here this morning is -- is based upon either the
20 information that's available in the Rate Application,
21 or subsequent updates. And by the time we get to the
22 hearing in October, the situation could be completely
23 different on a number of different avenues, right.

24 So, the question at that point becomes:
25 Are we filing our Application too early? Are we

1 filing it based on information that is no longer
2 relevant by the time we get to a hearing in October,
3 and we struggled with that as well.

4 What's the best way to get the most
5 current information before this Board? And sometimes
6 that means some structural changes perhaps may be need
7 to, you know, be considered with that.

8 BOARD CHAIR GABOR: And -- and I
9 appreciate that, Mr. Guerra. And I guess what I'm
10 pointing to is the October update, because I
11 appreciate that there are changes throughout the year,
12 because you've got a company that, you know, that has
13 to make decisions.

14 But I -- I just sort of throw it on the
15 table. I don't expect an answer, but I just, you know
16 -- you know, want you to realize that when we go --
17 when we go through the technology committee reports in
18 November, you know, we -- we look at it in terms of
19 the information we get where we go on the goodwill of
20 -- of MPI, but certainly if there are changes, we need
21 to know about it at this hearing and not find out
22 about it later on.

23 So, I guess that's just an editorial
24 comment, but I'll -- I'll just put it right to the
25 Board -- or sorry, to MPI.

1 MR. MARK GIESBRECHT: Yeah. No, we
2 understand those concerns and obviously they are very
3 important and very valid. And I think that one (1)
4 distinction from -- from last year was during the
5 course of these proceedings in the prior year GRA, we
6 knew that we were on the cusp of a re-baseline.

7 We didn't yet know what that looked
8 like. That is not the case for this year, so I think
9 that can hopefully give some assurance that we are --
10 we are not on the -- on the cusp of a -- you know, a -
11 - a new set of numbers, because there -- there is no -
12 - no current re-baseline exercise planned, but I
13 should leave that -- those details for the NOVA panel
14 to elaborate on.

15 BOARD CHAIR GABOR: And I appreciate
16 your comments. I would just note that in the six (6)
17 years that I have been here, there has been a
18 different perspective put forward every year in terms
19 of what is happening on technology.

20 I hope that, you know, now we've -- now
21 we have -- the re-baseline really is a baseline that
22 we can measure against. One (1) of our problems is
23 that every time we try and measure, the -- the
24 parameters change each year.

25 So, if -- if this is the re-baseline

1 and this is -- this is it, and we can measure against
2 it, it would be -- it would be a very positive
3 development for us, so. Thank you. Those are my
4 questions.

5 THE CHAIRPERSON: Thank you. Ms.
6 Nemec...?

7 MS. SUSAN NEMEC: Thank you. My first
8 question is probably on the Gartner Report and just a
9 couple short snappers.

10 The IT maturity level in the '19/'20
11 and '20/'21 data showed three point three nine (3.39),
12 and I'm assuming because that wasn't part -- that was
13 the IT service level -- maturity level which was not
14 re-looked at in the most recent report. So I'm
15 assuming that's why three point three nine (3.39)
16 continued in the chart.

17 And maybe we can bring that chart up.
18 It was...

19 MR. SIDDHARTHA PARTI: That is
20 correct, yes. They were not part of the --

21 MS. SUSAN NEMEC: Page 20 --

22 MR. SIDDHARTHA PARTI: -- equation.

23 MS. SUSAN NEMEC: -- page 21, is it?
24 Yeah, three point three nine (3.39). So that -- that
25 was it, sorry.

1 MR. SIDDHARTHA PARTI: That is
2 correct, yes.

3 MS. SUSAN NEMEC: Okay. Thank you.
4 And what is the scale? Is five point zero (5.0) the
5 top of the scale? Is that the leader in the --

6 MR. SIDDHARTHA PARTI: I believe so,
7 yes.

8 MS. SUSAN NEMEC: -- maturity? Okay.
9 So five point zero (5.0). So my question is: With
10 continued investment in the IT area, where -- do you
11 have an idea of where you want to be on that scale?

12 Like I'm assuming that -- that service
13 level wasn't re-looked at, but with significant
14 increases in FTE and -- and trying to -- that
15 spending, where -- where do you think it's good enough
16 to be on that scale?

17 MR. SIDDHARTHA PARTI: So we haven't
18 calibrated it to a Gartner benchmarking number to say
19 whether it's four point five (4.5) or is it four point
20 seven five (4.75) or five (5) -- even five (5).

21 But the reality is that, even with this
22 three point three nine (3.39) maturity level, there's
23 a lot of work to be done, including in that service
24 level vertical around various technologies and
25 ecosystems that we have today.

1 So to answer your questions, we can
2 definitely build a position on that for the committee
3 for next year to have an aspirational maturity level
4 and have Gartner calibrate us against that particular
5 number. And we'll come back, whether it's four point
6 'X' (4.X), whatever the number might be, and we can
7 absolutely do that.

8 MS. SUSAN NEMEC: And -- and you
9 mentioned that the contract with Gartner is for
10 multiple years, and you're in year 3. And -- and Mr.
11 Gabor talked a little bit about there being another
12 report next year.

13 Is it a four (4) year report, five (5)
14 -- or a five (5) year contract? What -- how many
15 years in the contract?

16 MR. SIDDHARTHA PARTI: I can confirm
17 on that. I believe it's a four (4) year contract. I
18 don't know if Mr. Campbell has beyond that, but -- but
19 my back panel is just about answering that, so I can
20 get -- get you that contract duration.

21 MS. SUSAN NEMEC: And -- and just
22 thinking of that and -- and thinking about sort of
23 that -- having a three point three nine (3.39) and the
24 purpose of the Gartner Report and the value that it
25 provides you in moving forward and continuing your --

1 your strategy, is the purpose to say how do you
2 compare or -- so is that three point three nine (3.39)
3 something that gives you comfort, or the purpose of
4 having a Gartner Report?

5 MR. SIDDHARTHA PARTI: So
6 predominantly, as a CIT of MPI, what it gives me is,
7 to your point, level of comfort that we are not
8 dramatically off the benchmark from an industry
9 perspective.

10 The reality also is that MPI is also a
11 very unique business. When they -- when they talk
12 about fourteen (14) different peers that they compare
13 against, there's only two (2) others that do deep --
14 driver vehicle and insurance together. Other -- all
15 of the rest are -- the rest of them are public
16 insurers -- sorry, private insurers. My apologies.

17 So what it gives us or gives me is a
18 level of comfort to say, yeah, our numbers are
19 consistent. They're not dramatically shifting, and
20 from -- for the most part, they're within the range.

21 Now, if you -- if we start seeing
22 there's a massive variance coming in around the 10,
23 15, 20 percent mark, then that's where the red flags
24 will be, right?

25 So we have an independent body coming

1 in and say -- there's not a (INDISCERNIBLE) commentary
2 from the CIT or any of the MPI offices. It's an
3 external party that comes in and evaluates us, and on
4 very fact-based data, and then gives us the comfort
5 that we need.

6 So -- so that's -- that's the
7 perspective, you know, with -- with Gartner.

8 MS. SUSAN NEMEC: Okay. And just to -
9 - sorry, a few more questions. I think there was nine
10 (9) IT domains, and I think that was something that
11 the list of those domains are going to come forward.

12 And do they actually give you where you
13 are in that maturity level in each of those nine (9)
14 IT domains?

15 MR. SIDDHARTHA PARTI: I believe they
16 do, yes.

17 MS. SUSAN NEMEC: And so that just
18 helps direct where --

19 MR. SIDDHARTHA PARTI: Directs our
20 focus and -- sorry, just going back to your earlier
21 question about the contract, it's three (3) years plus
22 two (2) years of extension.

23 MS. SUSAN NEMEC: So I think those
24 were my questions relating to the benchmarking.

25 My other question is -- is -- and, Mr.

1 Parti, I think you did say earlier moving towards the
2 future. And you talked about MPI 2.0, I believe, or
3 it was -- and so I just wondered, is -- is that
4 defined for you as to -- is MPI 2.0 a document that
5 you utilize to develop your direction for the group?

6 MR. SIDDHARTHA PARTI: So MPI 2.0 I do
7 not believe is a document, an aspirational state for
8 MPI. It's -- it's about everything post-NOVA. How
9 will we -- how will we evolve as a business post-NOVA.

10 So really, the calibration that I'm
11 using, at least from my division, is looking at NOVA
12 as -- as a baseline of what we need to achieve and
13 anything peripheral to NOVA as a core capability that
14 we need to establish.

15 Along with that, we have aspirations
16 from the business, from our actuary team, as an
17 example, from our finance team, as an example, or HR
18 or whatever else.

19 So we're taking those aspirational
20 future states, like culture 2.0 as an example for HR.
21 We're taking that as a -- as a business requirement or
22 an aspirational business state and then structuring IT
23 and the needs of the technology based on those
24 requirements of those aspirations.

25 But to answer your question

1 particularly, no, we do not have an MPI 2.0 document,
2 as such. We are concentrating on NOVA for now. As
3 NOVA evolves over the next few years, we will build
4 that MPI 2.0 aspirational state, but it's post-NOVA.

5 MS. SUSAN NEMEC: Okay. Thank you.
6 And just -- I did have a quick question -- well, maybe
7 not so quick.

8 But on IT contractors -- and I know
9 previously IT looked at bringing in house some of
10 those contractors to have them as in -- internal FTEs.

11 And I think IT contractors tend to --
12 or IT -- and correct me if I'm wrong, but IT resources
13 sometimes are -- are more conducive to being contract-
14 type individuals than, say, accountants or instead of
15 -- of, you know, always being sort of that internal
16 staff, tend to be more focussed toward -- can tend to
17 be a higher percentage that are contractors than in
18 other functional areas.

19 Is that true? And I know I didn't ask
20 that very well.

21 MR. SIDDHARTHA PARTI: No, and I
22 understand the question. Yes, it is -- I would say it
23 is an accurate statement. There are areas of the
24 business within IT that are most suited to be -- to
25 have a contractor model or out-source model in that

1 respect. And there are certain core areas that you
2 would absolutely want to have part of the FTE count.
3 So, yes, you're absolutely right.

4 MS. SUSAN NEMEC: And I guess where
5 I'm going is that does that kind of limit your hiring?
6 Because -- and the other question I was going to ask
7 is: You mentioned that out of twenty (20) FTEs,
8 nineteen (19) of them have been filled. And I think
9 my mouth opened, and that -- that's quite successful.

10 And I'm just wondering, how did you do
11 it?

12 MR. SIDDHARTHA PARTI: A little bit of
13 charisma and a little bit of -- sorry. Well, it's --
14 it's been an uphill battle, in -- in all honesty, in
15 hiring very qualified staff for MPI -- for MPI IT.

16 It's been -- it's been something that
17 all our directors -- I've got seven (7) directorates
18 under my leadership today, and I focus them very, very
19 comprehensively on how do we attract talent. And not
20 only that: how do we retain talent?

21 So we have been successful over the
22 last twelve (12) months, and hopefully that trend
23 continues.

24 Hiring is, of course, one (1) part of
25 the challenge, then it's also about retaining those

1 staff in the long run. You don't want people to come
2 and get trained or -- or just be with -- with the
3 Corporation for two (2), three (3) years, which is
4 typically the trend now in IT. So we're working with
5 HR also on how do we retain the staff in the long run.

6 MS. SUSAN NEMEC: And is it --
7 those hires or even existing successes, are they
8 mainly local? Are they cross-Canada? Are they US? I
9 sit sort of -- where do you hire from?

10 MR. SIDDHARTHA PARTI: So definitely
11 Canada-wide. Concentration is in Manitoba, of course,
12 but there are certain instances where we have to hire
13 outside of the province because we just cannot get
14 those people out here in -- in Winnipeg.

15 MS. SUSAN NEMEC: Okay. My last
16 question I believe is more about people working from
17 home. And I just wondered where the IT group was on
18 having all the functionality available to enable that
19 work from home.

20 And is that complete, or where are you
21 in that process?

22 MR. SIDDHARTHA PARTI: So, the work
23 from home for MPI started way before I took over the
24 role as a CITU. But from all accounts that I've seen,
25 I think they've done a fantastic job enabling that for

1 our workforce.

2 So, when COVID hit and when people were
3 asked to stay at home and work from home, the IT
4 division reciprocated to that requirement very, very
5 quickly and efficiently. So, all of that work was
6 done, I believe, in the first few months.

7 Now, we have improved on that
8 significantly over the last six (6), nine (9) months,
9 twelve (12) months by providing them, you know,
10 further -- better equipment, as an example, or -- or
11 video camera and things like that.

12 But, in essence, the work was done
13 within the first few months of when COVID actually hit
14 us, so, yes.

15 MS. SUSAN NEMEC: And I can never
16 leave an IT question without asking the threat of
17 cyber security, and I believe that's part of your
18 scope, and -- and the risk of cyber -- is that one (1)
19 of your -- where does that land in your risk matrix
20 and is that something that has -- does not have an MPV
21 of importance to the project?

22 If you can just speak to that a little
23 bit, I'd appreciate it.

24 MR. SIDDHARTHA PARTI: So, I'll --
25 I'll speak to it in general terms because there's

1 obviously a bit of confidentiality attached to the
2 cyber side of things.

3 In general, it is an area of focus
4 which is right at the top. And -- and we're focussing
5 very aggressively on improving our cyber maturity.
6 I'll share more about that in the confidential session
7 of costs, and I'll give you some more details on that.

8 MS. SUSAN NEMEC: Thank you very much.
9 Those are my questions.

10 THE PANEL CHAIRPERSON: Thank you.
11 Mr. Bass...? Ms. Boulter...?

12 MS. SUSAN BOULTER: Hi. Could we look
13 at -- I think it was chart 2-1 with the staffing
14 changes on it. Is that possible? I think it was APP
15 2-1. Is that possible?

16 There was a line on it that said,
17 "Corporate reorganization," and it was staff. And
18 through the years, it moved up and down and sideways.
19 And I'm wondering what -- yeah, that one there. It
20 starts off at 27.6 -- thank you, Kristen -- and it
21 goes up and down and all over to net out at minus 3.

22 What is Corporate reorganization? Is
23 that staff that you've moved into that area, and then
24 moved out? What is that?

25 MR. SIDDHARTHA PARTI: Sorry, I'll

1 just take a moment.

2

3

(BRIEF PAUSE)

4

5

MR. SIDDHARTHA PARTI: What I believe
6 that number denounces are inter-divisional movement of
7 people from within one division to another division.
8 So that in the corporate reorganization basically
9 refers to that -- that movement of people.

10

MS. SUSAN BOULTER: Would that be IT
11 staff per se, or would that area specialists that have
12 come in to help on the project? What exactly is that?

13

MR. SIDDHARTHA PARTI: I'm not super
14 familiar with the previous numbers but, generically, I
15 believe it would be people with certain business
16 capabilities that were part of IT perhaps, or as we
17 have now, a transformation officer as well under Mr.
18 Mitra's (phonetic) leadership. There could be some
19 people from within the IT functions that have moved
20 over to those new capabilities that are part of the
21 transformation office.

22

MS. SUSAN BOULTER: Okay. Thank you.
23 That sort of helps me a bit, but it leads to my next
24 question, which is, most of the people who will
25 ultimately be using your system will be clerical

1 staff, like, people on the frontline providing the
2 service.

3 How many of those staff are in the
4 designed development testing and interfacing with the
5 IT staff? Because IT staff are great, but it's in the
6 trenches work that really matters.

7 MR. SIDDHARTHA PARTI: Right.
8 Absolutely. So -- and that's regard -- we have a
9 complete life cycle of how we interact with the
10 business, how to bring them right at the beginning of
11 when we initiate a project or a program or whatever.

12 And then through -- continuously
13 throughout the life cycle of the project we are
14 interacting with them, and they are part of a business
15 testing team. As an example, they are accepting
16 changes into business. They are the final sign-offs
17 on whatever we do within technology ecosystem.

18 So, that is, I would say, reasonably
19 mature when it comes to how we deliver for -- for the
20 business.

21 MS. SUSAN BOULTER: But are any of the
22 in-the-trenches people, as I call it, dedicated to
23 NOVA and to IT development? Because if they're doing
24 their current job right now with what they've got on
25 their plates, that's -- that's hard.

1 MR. SIDDHARTHA PARTI: Right. Again,
2 I'm going to defer this to the NOVA Panel and take --

3 MS. SUSAN BOULTER: Okay.

4 MR. SIDDHARTHA PARTI: -- this
5 question here. I think there's various levels of
6 commitments across the organization when it comes to
7 NOVA. So, some folks are 100 percent Nova. They've
8 completed dedicated to objectives of the program. And
9 there's certain people -- and even from an IT
10 perspective -- like, I've got staff in my organization
11 that are perhaps 50 percent allocated to NOVA, 50
12 percent operations.

13 So, there are allocations that are
14 being defined for every single individual from a NOVA
15 perspective versus keep the lights on and normal
16 operations.

17 MS. SUSAN BOULTER: Okay. Because
18 that's to me one (1) of the critical things for the
19 success of a project, is making sure that the people
20 who are going to be using it are part of the team.

21 So, I'll -- I guess I'll be exploring
22 that more with the NOVA group.

23 You -- you've touched on, Mr. Parti,
24 the challenges with recruiting, and we commend you for
25 what you've done, and leadership challenges. Every

1 panel that's come before us seems to be all fairly new
2 people.

3 And I'm wondering if a lot of corporate
4 history and corporate knowledge and understanding
5 might have been lost over this and what sort of
6 assessment has been done of what's been lost.

7 MR. SIDDHARTHA PARTI: I can speak to
8 this for my division. I think we've got a great
9 balance of people who have been at MPI for a
10 relatively long period of time, but it's also very
11 important to look at the future.

12 And have people from the -- perhaps
13 from the broader industry to come in and take
14 ownership of the future of MPI from a -- from a
15 technology perspective.

16 So, at least, my strategy on that has
17 been to balance between the old and the new. Bringing
18 -- to your point, bringing everybody from the market
19 is also not going to help because you lose that
20 corporate history.

21 But at the same time, keeping and
22 moving on with -- with how things are and not
23 challenging the status quo is also perhaps not in the
24 best interest of the Corporation.

25 So, what we have tried to do very

1 actively in IT has been a blend of that and -- and,
2 well, at the leadership level, at -- at every single
3 level of our organization.

4 MS. SUSAN BOULTER: And finally, a
5 question near and dear to my heart is: Whose
6 responsibility is it to protect personal information?
7 We are all worried. It's sort of an extension of the
8 cyber hacking stuff, but breaches, leaks, lost data
9 losses, those things give civil servants nightmares.

10 So, I'm wondering whose -- does that
11 fall under your bailiwick?

12 MR. SIDDHARTHA PARTI: So, the
13 responsibility is for every single MPI employee. The
14 accountability sits with me.

15 MS. SUSAN BOULTER: Okay. All right.
16 Thank you. That's all my questions for now. Thank
17 you.

18 THE PANEL CHAIRPERSON: Thank you.
19 Mr. Guerra...?

20 MR. ANTHONY GUERRA: Thank you, Madam
21 Chair. I don't have any questions on redirect.

22 THE PANEL CHAIRPERSON: And, Mr.
23 Williams, are you still waiting for an answer to your
24 question with regard to annual renewals?

25 DR. BYRON WILLIAMS: No. I think we

1 received that -- that answer. But perhaps the
2 imprecision of my questions, it was buried in it, but
3 we did receive it. Thank you.

4 THE PANEL CHAIRPERSON: Thank you.
5 Ms. McCandless, can you discuss the plans for the
6 balance of this week?

7 MS. KATHLEEN MCCANDLESS: We are ahead
8 of schedule, so the plans for this week are actually
9 no plans. After now, we're going to break -- adjourn
10 for the week today and return on Monday with the MPI
11 Project Nova Panel.

12 THE PANEL CHAIRPERSON: Thank you very
13 much. And thank you very much to this panel. And
14 we'll see you -- some of you next week.

15
16 --- Upon adjourning at 11:49 a.m.

17
18 Certified Correct,

19

20

21

22 Wendy Woodworth, Ms.

23

24

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