

Staff Report

Action Required

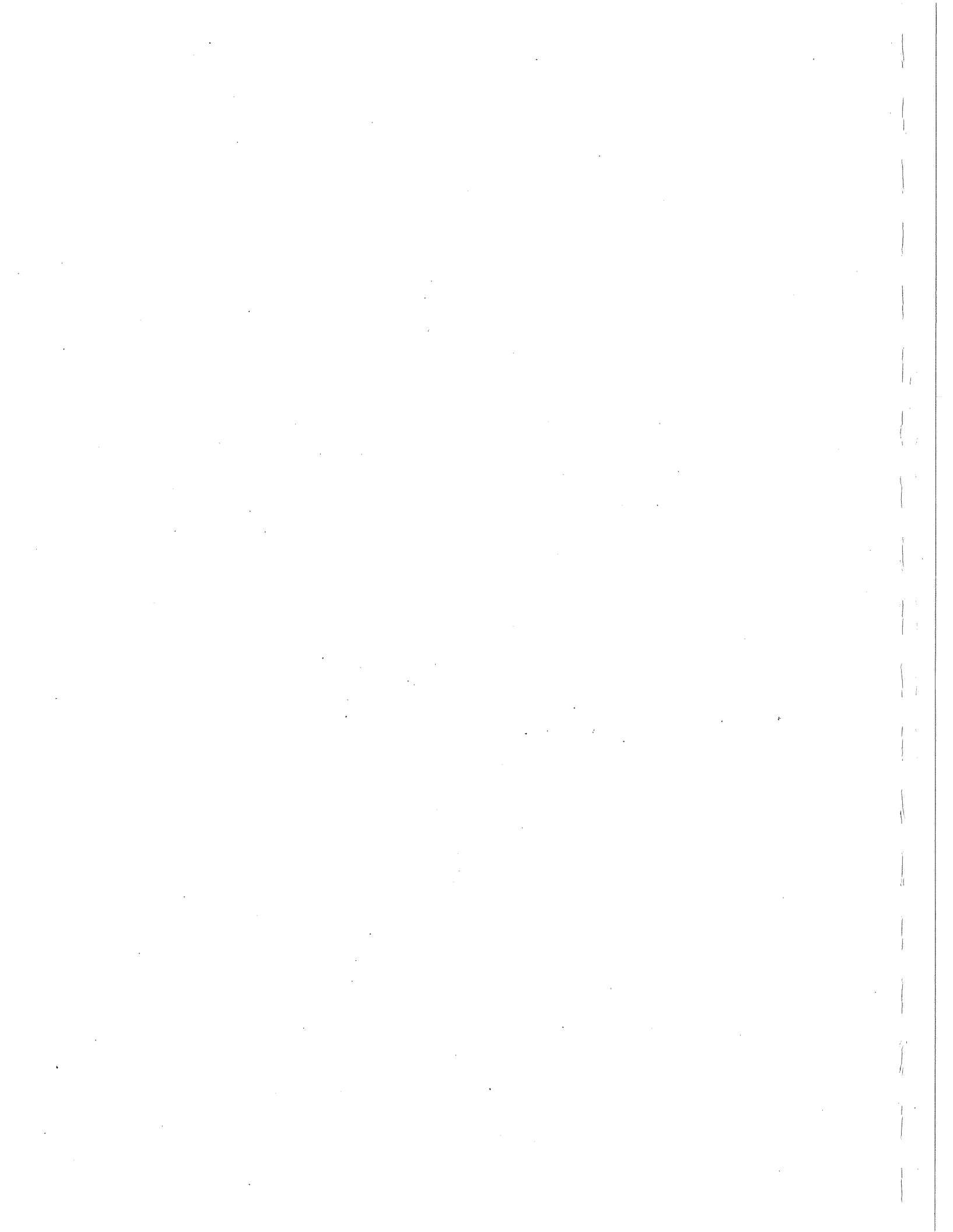
Results of the Shared Services Study

City Agencies

City of Toronto Council

Dated

May 10, 2013





STAFF REPORT ACTION REQUIRED

Results of the Shared Services Study – City Agencies

Date:	May 10, 2013
To:	Executive Committee
From:	City Manager
Wards:	All

SUMMARY

This report responds to Council's request for the City Manager to review opportunities for the City to share corporate support services with its agencies. The Auditor General has also put forward recommendations about improving shared services over the last ten years through value for money audits.

The City Manager identified eight corporate support services to review as a part of a Shared Service Study and retained third party consulting expertise, KPMG LLP (KPMG), to undertake this assignment. The corporate support services reviewed were: information technology, internal audit, insurance and risk management, legal services, human resources/labour relations, procurement and materials management, real estate and records management.

The study focused on the City's six largest agencies with a view to expanding any resulting opportunities to additional City agencies as appropriate. The agencies included were: Exhibition Place, Toronto Parking Authority, Toronto Police Service, Toronto Public Health, Toronto Public Library, and Toronto Transit Commission.

The Shared Services Study confirmed that the City and its agencies are already sharing many corporate support services across a range of functions. KPMG put forward 20 opportunities to increase shared services by bringing together resources, functions, processes and skills to create economies of scale and increase standardization to yield a positive return on investment.

This report recommends the implementation of eighteen (18) opportunities and no further action on two (2) opportunities. Eleven (11) opportunities will be implemented in the shorter term and reported out as required. The remaining seven (7) KPMG opportunities are broad transformational directions that will require significant business process re-engineering, organizational change and information technology investment to

successfully implement. These opportunities are recommended for referral to the City Manager for further due diligence and planning, in consultation with City agencies with potential net financial benefits of about \$55 million.

A Shared Service Steering Committee will be established with membership from City and agency senior management to guide the next stages of shared services planning and implementation. The City Manager will report back to Executive Committee with a multi-year shared services implementation plan, after consideration by boards of affected agencies.

RECOMMENDATIONS

The City Manager recommends that City Council:

1. Authorize the City Manager and the City's Executive Director of Human Resources to lead the development of a labour relations and collective bargaining strategy for the City and its agencies going forward, in consultation with City agencies, and report the strategy to the City's Employee and Labour Relations Committee for approval in principle;
2. Following approval in principle of the strategy by the City's Employee and Labour Relations Committee, request the City Manager and the City's Executive Director of Human Resources to bring forward the strategy to the relevant agency boards, or the Labour Relations Committees of the boards under delegated authority, for their consideration and approval;
3. Refer the following shared service opportunities to the City Manager to commence implementation in 2014 and to report further as required:
 - a) Share generic training and learning functions;
 - b) Coordinate and standardize common health and safety functions;
 - c) Enhance the use of the City's Internal Audit Division for compliance, assurance and business risk consulting services by agencies that do not have their own audit resources;
 - d) Establish a Quality Assurance Centre of Excellence to leverage tools, templates and specialized skills, coordinate work plans and share best practices; and
 - e) Continue to rationalize the City stores and increase direct delivery of consumable goods and automate P2P (purchase to pay) processes.
4. Request the City Clerk to provide as a best practice, the City's online submission application for Freedom of Information requests to interested agencies when it becomes available;

Walker Young

From: Walker Young
Sent: December 21, 2015 08:23
To: 'Shekar Chandrashekar'
Subject: RE: Request for Shared Services Reports

Hello Mr. Chandrashekar

I am sorry for not responding sooner. I have sent you hard copies of the three reports listed below to your home address. I have also provided links to the Toronto City Council documents related to these reports – these links do not provide more information than the reports, they just give an electronic copy of the report and state City Council's decision related to them. To open these links, just copy and paste them into your web browser's address bar.

1. 2013 Report to City Council ->
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX32.3>
2. 2014 Report to City Council ->
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX43.21>
3. 2015 Report to City Council ->
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX8.18>

Please review the reports and let me know if you require any further information. As we discussed, I will be away from the office returning January 04, 2016, so if you try to contact me before then, I will not be available.

Thank you, Mr. Chandrashekar – I hope you are doing well and that you enjoy the holiday season!

Walker

Walker Young

Senior Project Manager, Shared Services Project

100 Queen Street West, East Tower, 6th Floor, Toronto, ON M5H 2N2

☎ 416-392-8416 | 📠 647-461-0873 | ✉ wyoung@toronto.ca



From: Shekar Chandrashekar [mailto:shekarfamily@hotmail.com]

Sent: December 16, 2015 11:02

To: Walker Young

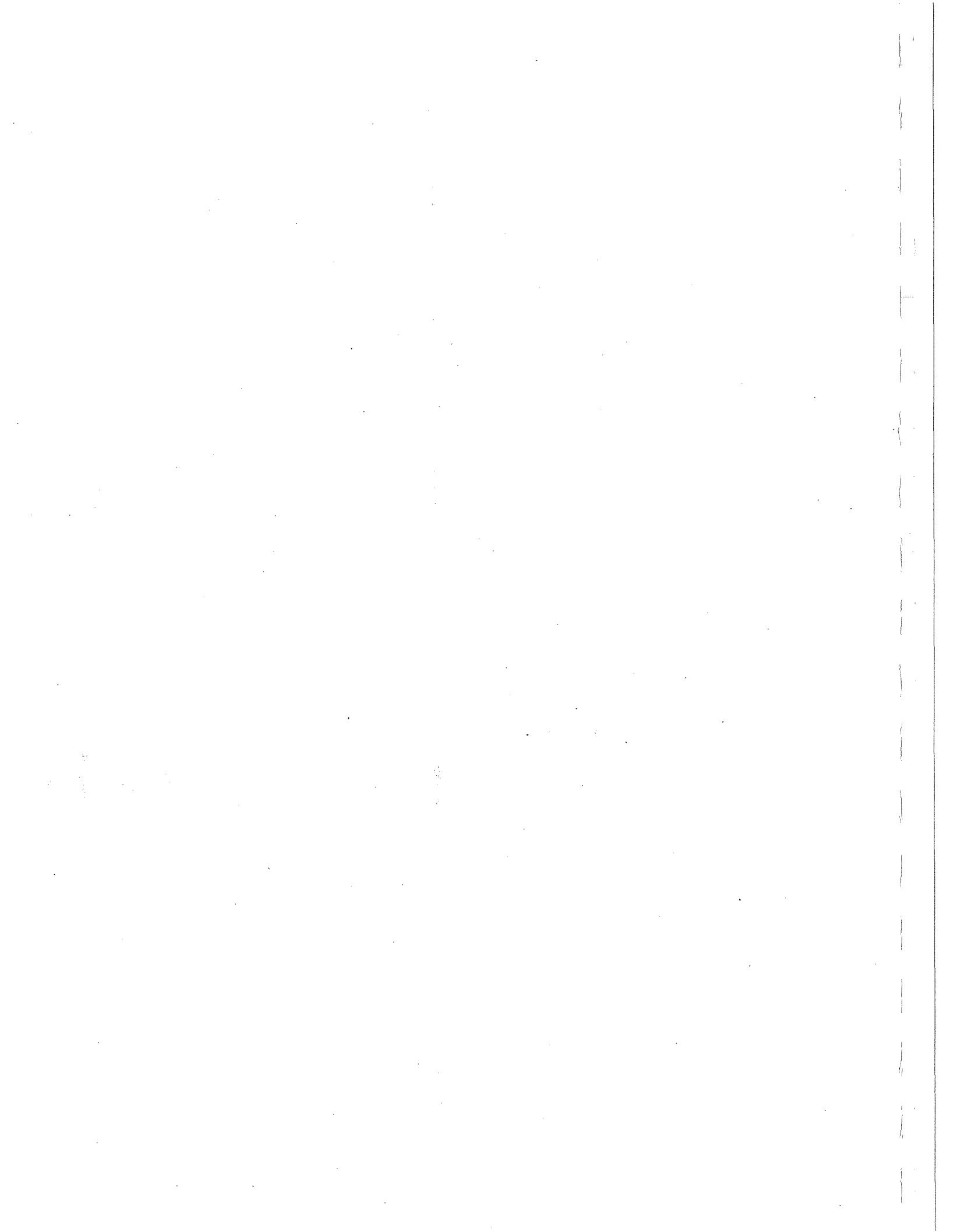
Subject: Re: Request for Shared Services Reports

Good Morning Mr.Young

Thank you so much.

Is there any way, you can summaries Shared Services related to Police Services Board **instead of huge hard copy for all other entities,Mr.Young**

Mr.Young..always thankful



5. Request the Chief Corporate Officer to work with the Chief Executive Officers of the Toronto Transit Commission and Toronto Parking Authority regarding the possibility of the City providing lessor services to their agencies;
6. Request the City Manager and Deputy City Manager and Chief Financial Officer, to work with the Chief Executive Officers of the Toronto Transit Commission and Toronto Parking Authority, to insure the Toronto Transit Commission and the Toronto Parking Authority under the City's insurance for non-specialized policies and exclusive of claims, where the City is able to provide similar coverage for a lower cost and report further as required;
7. Refer the following shared service opportunities to the City Manager for further due diligence and consultation with City agencies and report back to Executive Committee with a multi-year shared service implementation plan and after consideration by boards of affected City agencies:
 - a) share procurement of common goods and services and implement strategic sourcing;
 - b) standardize human resource information systems and share payroll and benefits administration;
 - c) share common information technology infrastructure with a focus on infrastructure management, data management and storage;
 - d) rationalize information technology applications;
 - e) coordinate real estate contract and vendor management through an information technology platform; and
 - f) establish a change management centre of excellence to support the implementation of shared services and other major City change initiatives.
8. Request the City Clerk, in consultation with the City Manager and the Chief Information Officer, to include in the Information Management Strategy for the City, a plan to transition to managing digital records and phased-in implementation to include City agencies; and
9. Request that this report be forwarded to the boards of the agencies included in the Shared Service Study for their consideration.

Financial Impact

KPMG quantified financial benefits for four opportunities that the City Manager is recommending for implementation. Their high-level estimate of potential cost savings for these opportunities ranges from \$58.8 to \$65.3 million per year with up-front investments of between \$3.5 and \$10.5 million. One of the four opportunities – to develop a City-wide labour relations and collective bargaining strategy – accounts for \$47 M of the potential cost savings.

- A business case for each shared service opportunity including benefits, limitations, risks, cost savings, and required investments;
- Future state operating models for shared services including structure, governance, mandate, operating costs and financing model, technology requirements, and performance standards; and
- An implementation plan for proposed future state operating models including a roadmap to move from the current to future state.

2 KPMG Study Methodology and Approach

KPMG's assignment included significant engagement with both City divisions and agencies. The consultants sought input and validation of shared service opportunities through 67 individual interviews and 14 workshops. In addition to direct stakeholder engagement, the consultants reviewed wide-ranging documentation and information provided by divisions and agencies and conducted a jurisdictional review of leading practices in public sector entities to inform their findings.

Given the number of functional areas and organizations within the scope of this study, KPMG used selection criteria to identify shared service opportunities with the greatest potential for organizational success and value for the City including size and scope, proof of concept, appetite for change, cost savings, implementable, time horizon and service excellence.

For further information on the approach and methodology of the Shared Services Study see Section 1.2, pages 25 to 30 of the KPMG final report attached in Appendix C.

3. KPMG Review of Other Jurisdictions

KPMG reviewed 11 Canadian and American jurisdictions to better understand the successes, challenges and risks faced in the initiation, implementation and ongoing maintenance of shared services.

Lessons from the jurisdictional review suggest that implementation should be based on the capacity of the organization to handle change while maintaining service delivery, and up-front investments are required to achieve future savings. KPMG describes the process as a transformational path that involves a multi-year and multi-phased approach.

The jurisdictional review identified a number of critical enablers for the successful implementation of shared services including:

- Strong leadership to continually move forward implementation;
- Established governance structures;
- Sufficient resources;
- Change management;

- Structured communication plans; and
- Metrics to measure success.

KPMG suggests that jurisdictions had common successes through shared services that Toronto can expect to achieve including cost savings, operational efficiencies, improved service delivery, increased client satisfaction, improved governance and greater accountability.

For further information on the Review of Other Jurisdictions see pages 309 to 325 of the KPMG final report attached in Appendix C.

4. KPMG Key Study Findings

KPMG confirmed that the City and its agencies are already sharing services in many areas including insurance and risk management, internal audit, legal services, real estate services, common purchasing and records storage. Their findings validate that a high level of effort across the organization to coordinate corporate support services, reduce redundancies and realize cost efficiencies is already occurring but often in an ad hoc manner and on an informal basis. A summary of current shared services between the City and the six agencies included in the study is attached as Appendix A.

The consultants suggested improvements to current shared services between the City and its agencies through establishing formal governance structures to monitor shared service arrangements and establishing robust service level agreements including performance metrics and issue resolution mechanisms.

The City also has current shared service arrangements, outside of the scope of this study, with other City agencies, City corporations such as Toronto Community Housing, and participates on occasion in joint purchasing with school boards, post secondary institutions and other municipalities.

KPMG confirmed that there are additional opportunities to share services and put forward 20 opportunities for the City Manager's consideration. KPMG did not put forward any opportunities related to legal services and confirmed that there is little duplication or overlap in this function.

For further information about the findings and opportunities of the Shared Services Study see pages 31 to 88 of the KPMG final report attached in Appendix C.

5. City Manager's Review of the KPMG Opportunities

The City Manager has reviewed the KPMG opportunities in consultation with City agencies and sees tremendous opportunity for the City and its agencies to share these and other corporate support services to create economies of scale, pool resources and skills, leverage technology investments, and save money now and into the future.

The City Manager recommends the following disposition of the KPMG opportunities:

- Implement ten (10) opportunities and report further as required;
- Implement eight (8) opportunities pending further due diligence and planning and report back on a detailed shared service implementation plan;
- Take no further action on two (2) opportunities.

The KPMG opportunities and recommended disposition are summarized in Appendix B and discussed further below.

a. Implement and Report Further as Required

The following KPMG opportunities will be implemented and reported further as required:

- Develop a City-Wide Labour Relations and Collective Bargaining Strategy;
- Pool generic training and learning;
- Coordinate and standardize common health and safety functions;
- Expand the use of the City's Internal Audit Division for compliance, assurance and business risk consulting services to City agencies that do not have their own internal audit capacity;
- Continue to rationalize the City stores and increase direct delivery of products and automation of P2P (purchase to pay) processes;
- Establish a Quality Assurance Centre of Excellence to leverage tools, templates and specialized skills, coordinate work plans and share best practices;
- Provide the City's online submission application for Freedom of Information requests to interested agencies when it becomes available;
- Insure the Toronto Transit Commission and Toronto Parking Authority under the City's insurance for non-specialized policies and exclusive of claims, where the City is able to provide similar coverage for a lower cost; and
- Expand the City's provision of lessor activities to the Toronto Transit Commission and Toronto Parking Authority.

Develop and Implement a City-Wide Labour Relations and Collective Bargaining Strategy

KPMG has proposed the development of a labour relations and collective bargaining strategy on a go forward basis to enhance coordination and communications between with the City and its agencies. KPMG recommends that the strategy takes into account the City's current and future fiscal environment, macroeconomic trends and changes, workforce dynamics and other factors related to terms and conditions of employment

including compensation. They recommend that the strategy be developed in close collaboration with City agencies and be directed by the City's Employee and Labour Relations Committee. Under this model, City agencies will continue to be responsible for day-to-day labour relations activities including grievances.

The City Manager agrees with this opportunity and feels a labour relations and collective bargaining strategy will formalize the enhanced bargaining coordination and communications that the City and agencies have already developed over the last several years. For example, the City recently executed a Service Level Agreement with Exhibition Place to provide labour relation services, including bargaining, to their organization. The City also provides bargaining services to the Toronto Zoo.

A labour relations and collective bargaining strategy will also enable a more consistent and uniform approach to dealing with similar collective bargaining issues and may allow for improved management of operations and greater control of rising labour costs. The development and implementation of a labour relations and collective bargaining strategy will need to consider potential legal limitations and be adopted by agency boards.

KPMG has estimated that pursuing this opportunity may yield annual cost savings of \$47M. Their analysis is based on one percent of the City's annual salary and benefits costs. The City Manager agrees that there are potential cost savings but is of the opinion that cost savings will likely be lower than the KPMG estimates.

Pool generic training and learning

The City Manager concurs that that the City and its agencies should pool generic training and learning and coordinate common health and safety functions.

Expand the use of the City's Internal Audit Division

The City Manager reported out the results of the internal audit component of the Shared Service Study to Audit Committee and City Council. The report, *Results Arising from the Shared Services Study Related to Internal Audit and Jurisdictional Research Respecting Funding Models for Accountability Functions*, was considered by City Council at its meeting on April 3 and 4, 2013 and the report concurred with expanding the use of the Internal Audit Division for compliance, assurance and business risk consulting services to agencies that do not have this capacity.

Continue to rationalize the City stores and increase direct delivery of products and automation of P2P (purchase to pay) processes

The City Manager agrees with the KPMG opportunity to rationalize the City's stores and this approach is consistent with the recommendations arising out of the Auditor General's report, AU9.10 – City Stores: Maximizing Operating Capacity.

The Procurement and Materials Management Division is in the process of implementing the Auditor General recommendations to improve drop shipment and leverage direct delivery, develop an online inventory system and evaluate the use of scanning technology for improved efficiencies, and continual rationalization of the City stores. Three warehouses are scheduled for consolidation in late 2014.

Establish a Quality Assurance Centre of Excellence

A Quality Assurance Centre of Excellence (a Community of Practice) for quality assurance practitioners will be established to leverage tools, templates and specialized skills, coordinate work plans and share best practices.

KPMG also suggested that City and agency internal audit professionals should meet regularly to share work plans and leverage specialized audit skills and expertise. This working level collaboration with internal audit professionals has already begun.

Provide the City's online submission application for Freedom of Information requests to interested agencies when it becomes available

The City Clerk has a project currently underway, funded through the City's Capital Budget, to automate the City's submission of Freedom of Information requests from the public. KPMG has suggested that the City could extend this initiative to City agencies through a common information technology platform.

Given that some City agencies are considered separate institutions under the *Municipal Freedom of Information and Protection of Privacy Act*, a common information technology platform is not feasible under legislation. The City Clerk recommends that the City make the on-line automated request application available to City agencies as a best practice and to adapt for their use, rather than pursue a common information technology platform.

Insure the Toronto Transit Commission and Toronto Parking Authority under the City's insurance

The City Manager agrees that the Toronto Parking Authority and Toronto Transit Commission should be insured under the City's insurance where the City can provide similar terms at a lower cost, and for non-specialized policies and exclusive of claims. The City Manager, Deputy City Manager and Chief Executive Officer will work with senior agency staff to undertake a cost benefit analysis and report further as required.

Extend the City's provision of lessor activities to the Toronto Transit Commission and Toronto Parking Authority

The City's Real Estate Division currently provides a full suite of lessor services to the Toronto Police Service and Toronto Public Health and some specific lessor services to Toronto Public Library.

KPMG suggest that the City's Real Estate Division provide lessor services including negotiation and tenant management, leasing air rights, and lease administration to the Toronto Parking Authority and Toronto Transit Commission.

The specific operational requirements of both agencies including requirements for specialized lessor services will need to be considered before moving forward. The report recommends that the Chief Corporate Officer work with senior agency staff on the possibility of the City providing this service to these two agencies and report further as required.

b. Implement Pending Further Due Diligence and Planning

The following KPMG opportunities are recommended for implementation following further due diligence and planning and subject to approval of a multi-year implementation plan:

- Expand common procurement and implement strategic sourcing;
- Adopt standard human resource management information technology systems and build agency requirements into solution development;
- Implement shared payroll and benefits administration;
- Expedite the transition to digital records management;
- Implement common information technology infrastructure with a focus on data centres, infrastructure management and storage services;
- Rationalize and consolidate the City's use of information technology applications;
- Establish an information technology platform such as SAP Real Estate to maintain a database of vendor records and information about appraisals, tenant improvements and remediation; and
- Establish a change management centre of excellence to support the implementation of shared services and other major City initiatives.

The development of an implementation plan is discussed further in section 6 of this report.

c. No Further Action Required

The City Manager reviewed the KPMG opportunity to outsource the City's two records centres with the City Clerk and recommend that this not be pursued. Outsourcing the City's two records centres introduces an unnecessary risk to the City and the integrity of its public records for minimal projected cost savings. Toronto Public Health and the Toronto Police Service also raised concerns with this opportunity as they store their records at the City's two records centres including criminal and health records collected under the authority of the Criminal Code of Canada and the *Health Protection and Promotion Act*.

KPMG suggest that a Joint City and Agency Records Management Working Group be established to expand the City's records schema to other agencies and to a greater scope of record. Although KPMG recognized that records collaboration and consultation already exists between the City and its agencies, they believed that there were opportunities for even further standardization. The City Manager discussed this opportunity with both the City Clerk and City agencies and there is agreement that the level of remaining records schema standardization would result in an unnecessary draw on resources and not yield sufficient benefits.

The City Manager and City Clerk recommend that no further action be taken on these opportunities and believe that the City should focus its efforts on the transition to digital records. Transitioning the City and its agencies to digital records will require an assessment of record requirements and reduce reliance for paper based storage over the longer term.

6. Developing a Shared Service Implementation Plan

The KPMG opportunities referred for inclusion in an implementation plan are broad transformational directions that will require significant business process re-engineering, organizational change and information technology investment to successfully implement. Further due diligence and planning will be undertaken and a multi-year implementation plan will be developed.

The City Manager concurs with KPMG that the approach to shared services should be value-driven. KPMG suggests that next steps include a value proposition analysis for each opportunity to evaluate financial savings, service benefits, resource reallocations, and any other benefits over drawbacks, limitations and risks. The value proposition analysis also needs to confirm that moving to shared services will be cost neutral for the City and its agencies and provide a return on investment.

KPMG highlighted that agency engagement at the due diligence and implementation planning stage is critical and that decision-making structures should represent all partner interests to facilitate shared ownership and realize the maximum benefits of shared services. To guide planning and implementation, a Shared Service Steering Committee will be established with membership from City and agency senior management and work teams will be convened to undertake further analysis and operational planning.

KPMG identified dedicated resources as a key enabler for the successful implementation of shared services and proposed a Shared Service Secretariat be established to lead the City and agencies through the next stages of planning and implementation. They also recommend enhanced change management resources to support the shared services implementation and other major City initiatives.

The City Manager recognizes that resources to sustain and manage this change will be important. Dedicated resources will be identified for the initial stages of this work and budget impacts reported as required. Longer term resource requirements will be further

considered and addressed through the development of a multi-year shared service implementation plan.

CONTACT

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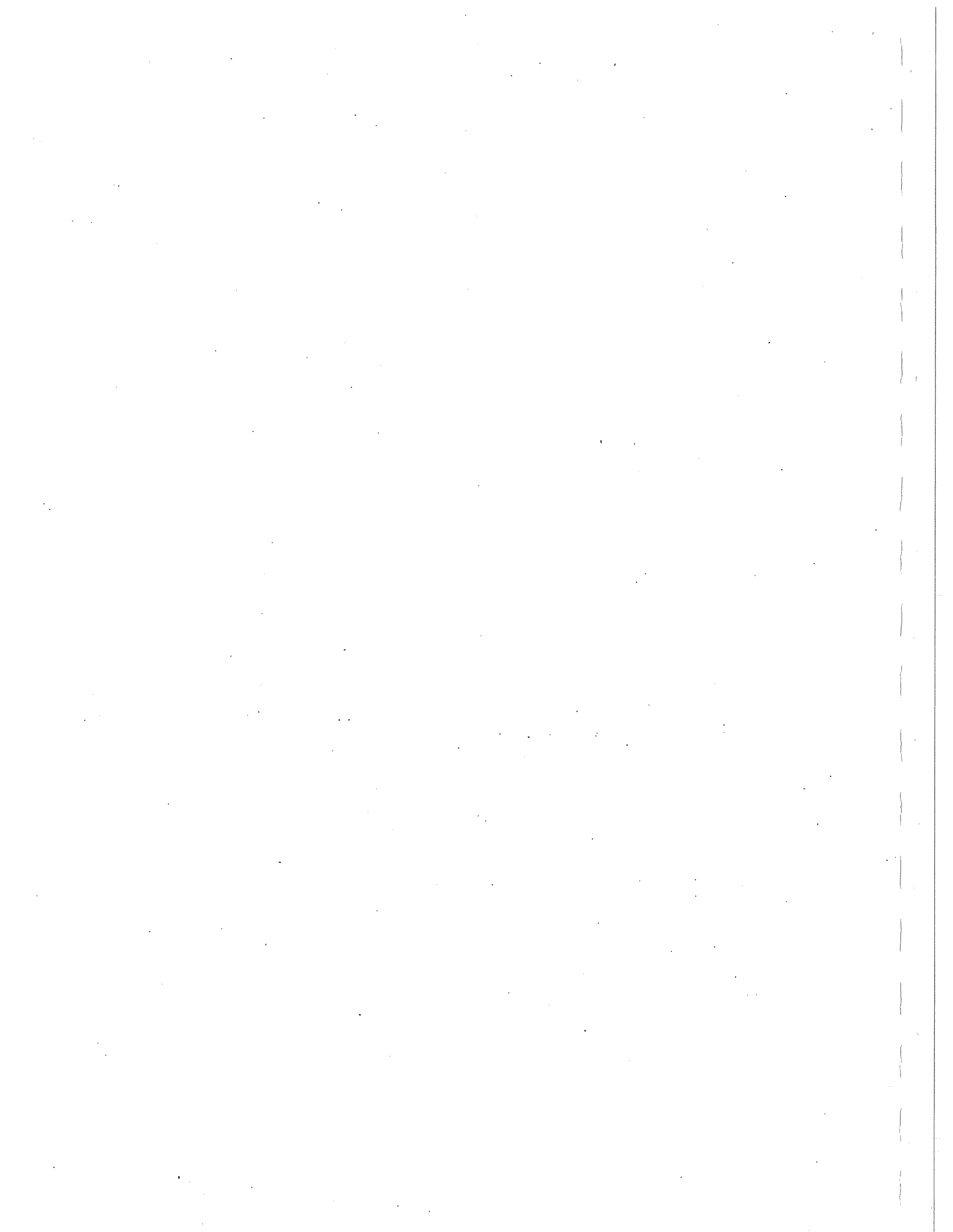
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SIGNATURE

Joseph P. Pennachetti
City Manager

ATTACHMENTS

Appendix A: Summary of Current Shared Services
Appendix B: Disposition of KPMG Opportunities
Appendix C: KPMG Final Report



Summary of Current Shared Services

Service	Exhibition Place	Toronto Parking Authority	Toronto Public Health	Toronto Public Library	Toronto Police Service	Toronto Transit Commission
Legal services ¹	✓	✓	✓	✓	✓	✓
Purchasing services ²	✓	✓	✓	✓	✓	✓
Insurance and Risk Management	✓	X	✓	✓	✓	X
Records storage in City records centres ³	X	X	✓	X	✓	✓
Real estate services ⁴	X	X	✓	✓	✓	X
Internal audit services ⁵	✓	X	✓	X	X	X
Human resource/labour relations services	✓ ⁶	X	✓	X	X	X
Information and technology services and infrastructure	X	X	✓	X	X	X

✓ City provides service to agency
X The City does not provide service to agency

¹ The City's Legal Services Division provides legal support for real estate transactions to all agencies. In addition, it provides all legal services to Exhibition Place and Toronto Public Health, municipal law expertise to Toronto Public Library and Toronto Parking Authority; and contract, claims and employment law expertise to Toronto Police Service.

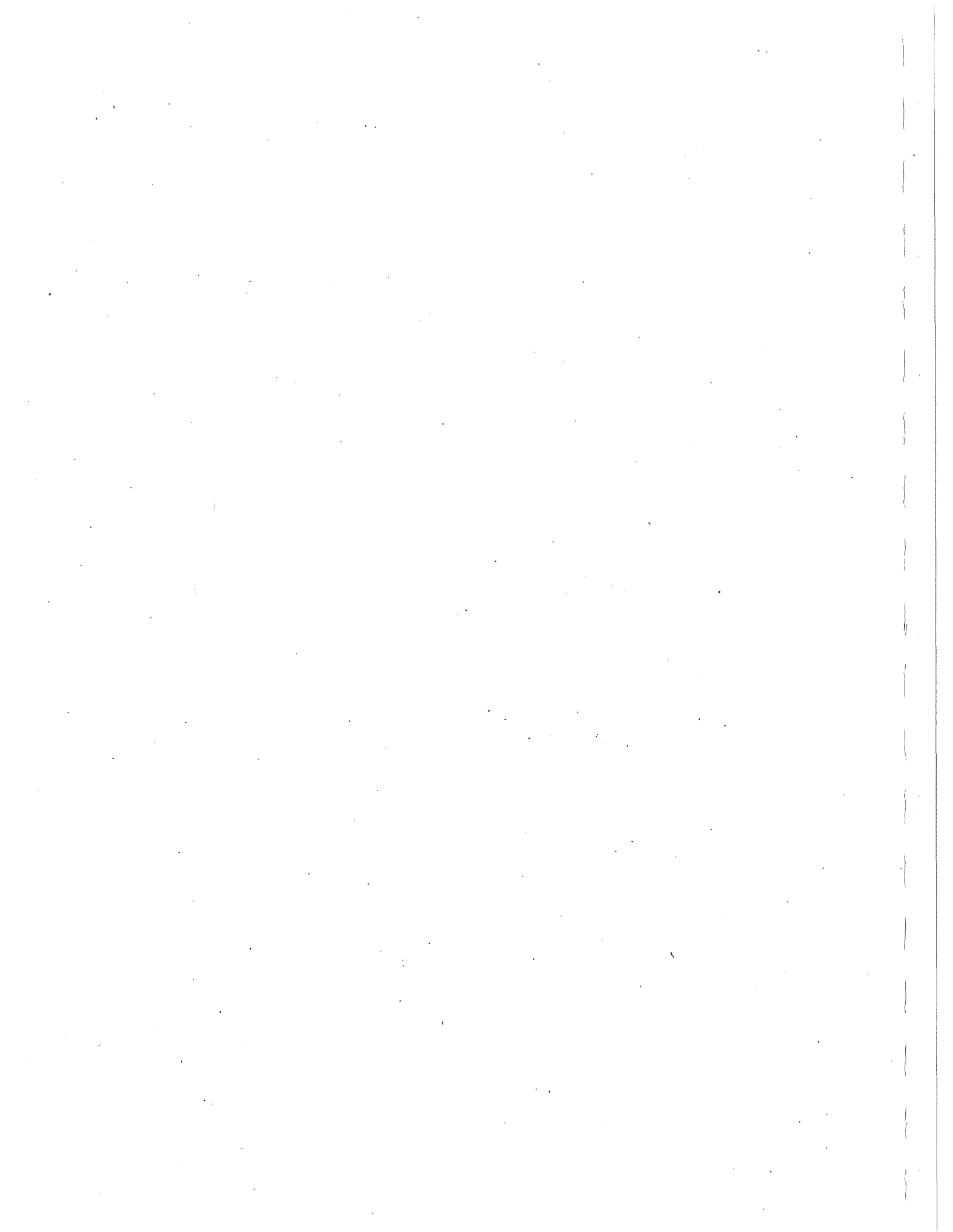
² Procurement and Materials Management Division informally collaborate with all agencies for the purchase of select commodities, and provide a full range of procurement services to Exhibition Place and Toronto Public Health.

³ Corporate Information and Management Services store all records for Toronto Public Health and Toronto Transit Commission, and the Toronto Police Services. All records are stored in the City's two records centres.

⁴ Real Estate Services provides a full range of real estate services to Toronto Public Health and Toronto Police Service, and some lessor services to Toronto Public Library.

⁵ Internal Audit provides a full range of internal audit services to Exhibition Place and Toronto Public Health. KPMG did not recommend shared internal audit services for agencies with an existing internal audit function or specific operational requirements such as Toronto Police Service and Toronto Transit Commission.

⁶ The City's Human Resources Division recently executed a Service Level Agreement with Exhibition Place to provide labour relations services, including bargaining, to the agency.



**Results of the Shared Services Study
Disposition of KPMG Opportunities**

#	KPMG Opportunity	Service Area	Disposition
1.	<p>Labour Relations Strategy and Coordination</p> <p>Develop a City-wide strategy for Labour Relations directed by the Employee and Labour Relations Committee and executed with support from a specialized, coordinated team.</p>	Human Resources	Implement and report further as required
2.	<p>Share Common Learning Functions</p> <p>Training that is generic in nature could be provided as a shared service to the City and its agencies and coordinated through the City's HR Division.</p>	Human Resources	Implement and report further as required
3.	<p>Consolidate Health & Safety Function</p> <p>Consider implementing a shared services model for the provision of occupational health and safety services, to be led by the City's HR division. Site and organization specific processes would remain with respective agencies, as per provincial legislation.</p>	Human Resources	Implement and report further as required
4.	<p>Use of the City's Internal Audit Division by Agencies</p> <p>In-scope agencies that currently do not have an internal audit function should utilize the City's Internal Audit division for their compliance, assurance and business risk consulting needs.</p>	Internal Audit	Implement and report further as required
5.	<p>Quality Assurance Centre of Excellence</p> <p>A formal collaborative structure (e.g., community of practice) is implemented and accessed by staff currently performing quality assurance functions.</p>	Internal Audit	Implement and report further as required

#	KPMG Opportunity	Service Area	Disposition
6.	<p>City Stores Rationalization</p> <p>Rationalization of the corporate stores and reduction of consumable products moving through the stores by significantly increasing the proportion of direct delivered products and the automation of the P2P processes.</p>	Procurement and Materials Management	Continue to implement
7.	<p>Automate Freedom of Information (FOI) Submissions and Intake Process</p> <p>The City and its agencies could automate and digitize the submission and intake of FOI requests submitted by the public through the implementation of a common IT platform.</p>	Records Management	Provide the City's online submission application for Freedom of Information requests to interested agencies when it becomes available
8..	<p>Rationalize Lessor Activities</p> <p>Consolidate lessor activities across agencies into the Leasing & Site Management Unit within Real Estate Services. Examples of lessor activities include negotiations and tenant management, lease abstracting, and lease administration.</p>	Real Estate	Implement pending further planning and report further as required
9.	<p>Use of City Insurance by Toronto Parking Authority</p> <p>TPA adopts the City's insurance program provided the City can provide insurance on similar terms for a lower premium than TPA is currently incurring.</p>	Insurance and Risk Management	Implement where the City is able to provide similar coverage for a lower cost and report further as required
10.	<p>Common Insurance Procurement</p> <p>Toronto Transit Commission works with the City on the procurement of insurance products as well using the City's insurance for the coverage of non-specialized policies.</p>	Insurance and Risk Management	Implement where the City is able to provide similar coverage for a lower cost and report further as required

#	KPMG Opportunity	Service Area	Disposition
11.	<p>Category Management as a Shared Service</p> <p>The creation of a new procurement shared service unit. The mandate of this organization is to operate using category management and strategic sourcing approaches, acting as a procurement 'agent' for the City and agencies.</p>	Procurement and Materials Management	Implement pending further due diligence and the approval of a shared service implementation plan
12.	<p>Common HR Information Systems</p> <p>The City could adopt a leadership role in standardizing HR information systems across agencies, incorporating their needs into the development and implementation of common platforms and applications.</p>	Human Resources	Implement pending further due diligence and the approval of a shared service implementation plan
13.	<p>Shared Payroll and Benefits Administration</p> <p>The City's Pension, Payroll and Employee Benefits Division could become the provider of payroll and administration services for agencies when the maturity and capability of the organization is sufficient to do so.</p>	Payroll and Benefits Administration	Implement pending further due diligence and the approval of a shared service implementation plan
14.	<p>Common IT Infrastructure Services</p> <p>Create a technology infrastructure shared services unit that delivers core IT infrastructure services. The primary focus of the new unit is to provide data centre, infrastructure management, and storage services.</p>	Information Technology	Implement pending further due diligence and the approval of a shared service implementation plan
15.	<p>IT Application Portfolio Rationalization</p> <p>Establishment of a seconded project team with the objective of implementing an application rationalization program. The purpose of this team will be to design the future target state of the application landscape, and identify potential applications for consolidation.</p>	Information Technology	Implement pending further due diligence and the approval of a shared service implementation plan

#	KPMG Opportunity	Service Area	Disposition
16.	<p>Coordinated Contract and Vendor Management</p> <p>The City's Real Estate Services will establish, own and manage an information system platform (e.g., SAP Real Estate Suite) in order to maintain a database of vendor records and share information regarding outsourced real estate services such as appraisals, tenant improvements and remediation.</p>	Real Estate	Implement pending further due diligence and the approval of a shared service implementation plan
17.	<p>Expedite Transition to Digital Records</p> <p>The City should expedite the transition to digital records and include the City agencies in its plan and actions.</p>	Records Management	Implement pending further due diligence and the approval of a shared service implementation plan
18.	<p>Change Management – Centre of Excellence</p> <p>Implement a change management function with the Human Resources Division of the City to assist in the ongoing delivery of components of change.</p>	Human Resources	Implement and report further as required
19.	<p>Records Centre Alternate Service Delivery</p> <p>The operation and management of the City's two storage centres could be outsourced to a third party record storage service provider.</p>	Records Management	No further action required
20.	<p>Formalize Records Management Collaboration</p> <p>A Joint Working Group could be established to formalize a community of practice for records management practitioners across the City.</p>	Records Management	No further action required

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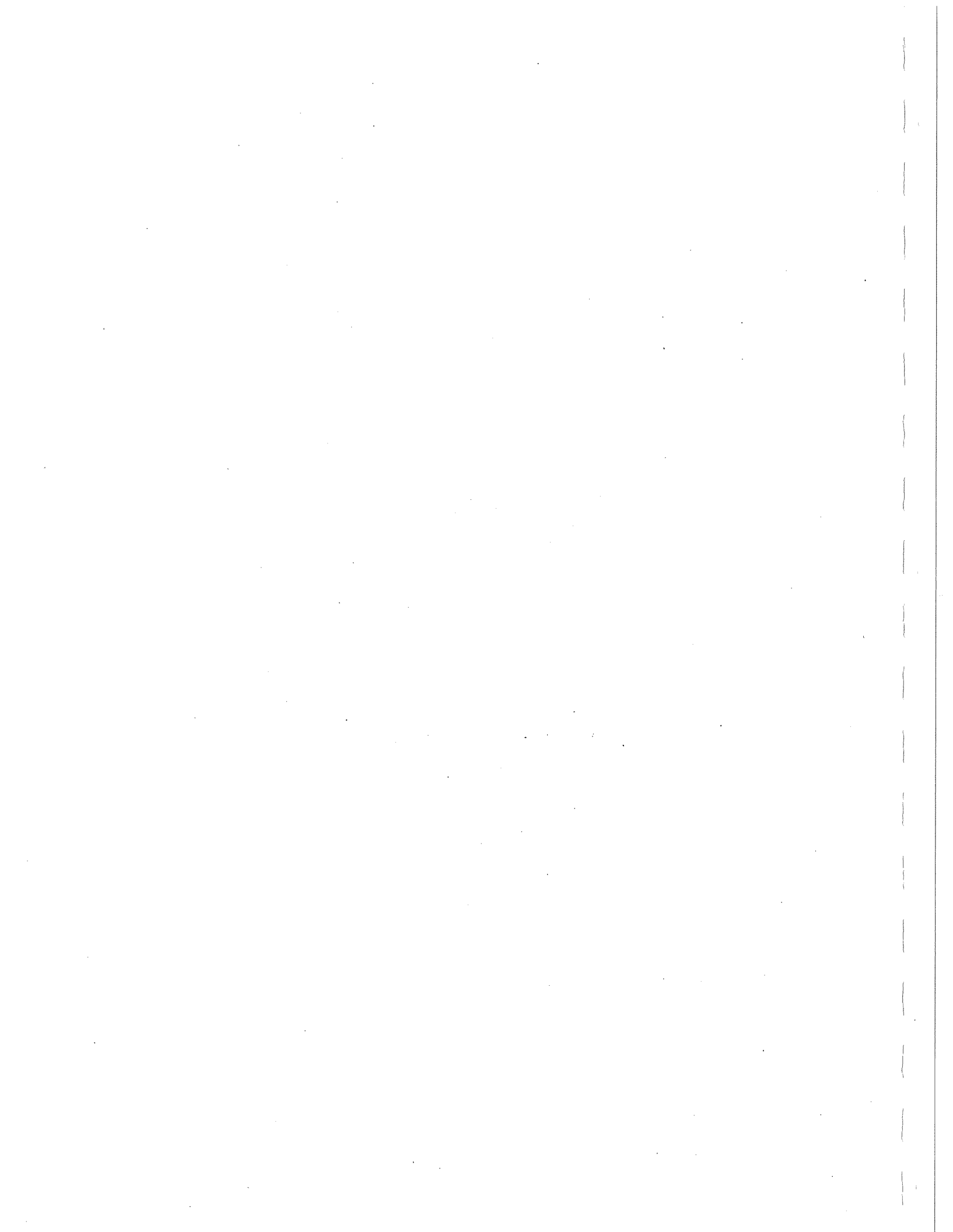
Update on the shared Services Project

City Agencies

City of Toronto Executive Committee

Dated

June 17, 2014





STAFF REPORT ACTION REQUIRED

Update on the Shared Services Project

Date:	June 17, 2014
To:	Executive Committee
From:	Deputy City Manager & Chief Financial Officer
Wards:	All
Reference Number:	P:\2014\Internal Services\Cfo\Ec14002Cfo (AFS #19604)

SUMMARY

This report responds to City Council's request for the Deputy City Manager & Chief Financial Officer to report back with options to accelerate the implementation of shared services opportunities in the KPMG Shares Services Efficiency Study to achieve potential costs savings ranging from \$10 million to \$15 million in 2014.

To do this, the Deputy City Manager & Chief Financial Officer accelerated the creation of a project team that facilitated the creation of an Executive Steering Committee and 13 working groups. These working groups have started analysing options to accelerate implementation.

In addition, the Executive Steering Committee has expanded the project scope beyond the opportunities identified by KPMG to include the areas listed below.

- Three functions – Fleet Services, Facilities Management, Information & Technology Contract Management
- Two centres of excellence – Internal Audit, Real Estate

Based on the working group activities, the five opportunities listed below have been completed.

1. Enhance the Use of the City's Internal Audit Division by agencies that do not have their own Internal Audit Resources
2. Expand the City's provision of lessor services to the Toronto Transit Commission and Toronto Parking Authority
3. Establish a Fleet Services Centre of Excellence
4. Establish an Internal Audit Centre of Excellence
5. Establish a Real Estate Centre of Excellence

For the recommendations that are not complete, the high-level analysis performed by the working groups has shown:

- to estimate the actual potential savings and service improvements, a more detailed review and due diligence must be performed and an implementation plan created; and
- the full implementation of many recommendations is dependent on the successful implementation of a common information technology infrastructure.

The City and the agencies are already collaborating in many areas, including the areas listed below.

- | | |
|------------------------------|---------------------------------|
| - Facilities Management | - Insurance and Risk Management |
| - Fleet Services | - Internal Audit |
| - Human Resources | - Legal Services |
| - Information and Technology | - Purchasing |
| - Information Management | - Real Estate Services |

The transition to a shared services delivery model is a journey that takes leadership, careful planning, and strategic investments – often involving a multi-year, multi-phase transformation across multiple organizations. Although some opportunities may be implemented in a shorter time frame, a number of opportunities are broad transformational directions that require further due diligence to determine the potential service improvements and savings. Due diligence must be complete before an implementation strategy is created.

Shared services should not be viewed as a solution to existing organizational problems, but rather an opportunity to examine greater collaboration in various forms with the potential to reduce costs and improve service.

The Shared Services Project is a multi-year initiative that requires support from Council, the agency boards, and senior staff. For this reason, regular updates will be reported to Council and the agency Boards.

RECOMMENDATIONS

The Deputy City Manager & Chief Financial Officer recommends that:

1. Executive Committee receive this report for information.

FINANCIAL IMPACT

There are no financial impacts from the recommendations contained in this report beyond what has already been approved in the current year's budget. Any additional resources required to support the implementation of the Shared Services opportunities will be included in the 2015 Operating Budget and future years' budget process as required.

DECISION HISTORY

At its meeting on June 11, 12, and 13, 2013, in consideration of EX32.3 (*Results of the Shared Services Study - City Agencies*), Council directed staff to begin implementation of various short term shared services opportunities and to report back on a multi-year implementation plan for longer term shared services opportunities after consideration by the impacted agency boards.

EX32.3 (*Results of the Shared Services Study – City Agencies*) was considered by the Toronto Police Services Board on June 20, 2013 and by the Toronto Public Library Board on September 23, 2013.

At its meeting on January 29, 2014, in consideration of EX37.1 (*2014 Capital and Operating Budgets*), City Council requested the Deputy City Manager & Chief Financial Officer to report back to City Council in July 2014 with options to accelerate the implementation of shared service opportunities in the KPMG Shared Services Efficiency Study to achieve potential cost savings ranging from \$10 million to \$15 million in 2014.

ISSUE BACKGROUND

In 2012, The City Manager identified eight corporate support services to review as a part of a Shared Service Study and retained KPMG LLP (KPMG) to undertake the assignment. The corporate support services included were: information technology, internal audit, insurance and risk management, legal services, human resources/labour relations, procurement & materials management, real estate, and records management.

KPMG's study focused on the City's six largest agencies with a view to expanding any resulting opportunities to additional City agencies, where appropriate. The agencies included were: Exhibition Place, Toronto Parking Authority, Toronto Police Service, Toronto Public Health, Toronto Public Library, and Toronto Transit Commission.

City Council approved the implementation of eighteen opportunities and no further action on two opportunities. Eleven opportunities were recommended to be implemented in the shorter term and reported out as required through the City's 2014/2015 budget process or to a standing committee or specific agency board.

The remaining seven opportunities were broad transformational directions to the City and its agencies that require significant business process re-engineering, organizational change, and information technology investment to successfully implement. The City Manager referred these opportunities to the Deputy City Manager & Chief Financial Officer, in consultation with City agencies, for further due diligence, planning, and the development of a five-year shared service implementation plan.

Shared services are often described by organizations that have implemented these delivery models as a 'journey' that takes time, leadership, careful planning, strategic technology investments, and good governance. Implementing shared services often involves a multi-year

and multi-phase transformation to effect technology investments and business re-engineering across multiple organizations.

As described in EX32.3 (*Results of the Shared Services Study – Agencies*), KPMG quantified the financial benefits for four opportunities with a high-level estimate of potential cost savings \$58.8 to \$65.3 million per year with up-front investments of between \$3.5 and \$10.5 million. Of this \$58.8 to \$65.3 million per year in cost savings, KPMG estimated:

- \$47 million cost savings from pursuing a joint labour relations and collective bargaining strategy; and
- \$10 million cost savings from sharing common procurement and implementing strategic sourcing.

The City Manager and Deputy City Manager & Chief Financial Officer agree there are potential cost savings in these areas, but are of the opinion that cost savings will likely be lower than the KPMG estimates. Actual savings will be highly dependent on the viability of the opportunities as determined by more detailed review, due diligence, and implementation planning. Financial impacts of shared service models will be reported through future years' budget processes as required.

COMMENTS

1. Shared Services Project

Based on the direction to accelerate the implementation of the shared services opportunities given by Council on January 29, 2014, the Deputy City Manager & Chief Financial Officer accelerated the creation of a project team that facilitated the creation of an Executive Steering Committee and 13 working groups, which have started analysing options to accelerate implementation.

Shared Services Project Team: The Deputy City Manager & Chief Financial Officer has created a temporary Shared Services Project Team consisting of a Project Director, Senior Project Manager, and two Policy and Research Analysts. The Shared Services Project Team supports the overall project by acting as a liaison between the Executive Steering Committee and the various working groups.

Executive Steering Committee: As recommended by KPMG, the Deputy City Manager & Chief Financial Officer and the Shared Services Project Team created the Shared Services Executive Steering Committee to provide leadership and strategic direction to the Shared Services Project Team and the working groups. The Executive Steering Committee membership includes senior executives from the in-scope agencies, the Deputy City Manager & Chief Financial Officer, and the City division heads for the in-scope functions.

Working Groups: The Executive Steering Committee set up subject matter working groups consisting of staff from both the City and from the agencies; these working groups are responsible to further analyze the opportunities, determine their feasibility, and recommend

the strategy to move forward to the Executive Steering Committee. A list of the working groups is below.

- Change Management
- Facilities Management
- Fleet Services
- Health & Safety
- Information & Technology
- Information Management
- Insurance & Risk
- Internal Audit
- Labour Relations
- Learning
- Payroll & Pensions
- Purchasing
- Real Estate

Other details about the project are outlined below.

Project Goal: The goal of the Shared Services Project is for the City and the agencies to work collaboratively to identify and implement shared services opportunities that will achieve cost savings without service reductions and/or service improvements.

Resource Constraints: To perform a comprehensive analysis and due diligence on all opportunities is a time-consuming process that requires the dedication of many City and agency resources. Although all stakeholders agree that there is a great deal of value in this process, both the City and the agencies have limited resources and their constraints must be taken into consideration when planning participation in the working groups, examining the feasibility of an opportunity, and developing the strategy to move forward. When additional resources are required, the request will be made through the budget process.

Plan for Additional Agencies and Corporations: The Shared Services Executive Steering Committee has directed the Project Team to extend an invitation to Toronto Zoo (the Zoo), Toronto Community Housing Corporation, and Toronto Hydro (Hydro) for inclusion in the Project. The Project Team has met with senior executives at the Zoo and Toronto Community Housing Corporation and have started discussions regarding where there is value for their participation. Currently, the Zoo and Toronto Community Housing Corporation are part of the Cooperative Purchasing Working Group (see Appendix 1).

The Shared Services Project Team also met with Hydro to discuss their inclusion in the project. Since Hydro is regulated by the Ontario Energy Board, including them in the project's scope is complex, however, the Project Team and Hydro have agreed to be in regular contact about the status of the project and to discuss opportunities when they arise.

Centres of Excellence: KPMG recommended the establishment of various centres of excellence. The Executive Steering Committee, Project Team, and working groups have interpreted centre of excellence to be a group of professionals who meet regularly to discuss best practices, standards, and opportunities in their service areas across different organizations.

Future Reporting: The Shared Services Project Team will provide regular update reports to City Council and the agency boards as the Shared Services Project progresses. This report has been sent to the agency boards.

2. Existing Shared Services Activities

Although the KPMG report identified many shared services opportunities in place, some shared services opportunities were not included in the list they provided. A more comprehensive list of existing shared services activities is outlined below.

Facilities Management

The City's Facilities Management Division is engaged with the agencies as listed below.

- The City provides a full range of services to Toronto Public Health.
- The City provides building operations, maintenance, and custodial services to Toronto Police Service.
- The City provides Energy and Environment services to the Zoo.
- The City provides various services to the other agencies upon request.

Fleet Services

The City's Fleet Services Division is engaged with the agencies as listed below.

- Fleet Management Steering Committee with representation from Exhibition Place, Toronto Parking Authority, Toronto Police Service, Toronto Public Health, Toronto Public Library, Toronto Transit Commission, Toronto Community Housing Corporation, the Zoo, and some City divisions.
- The City is the sole provider for fleet maintenance and management for Toronto Community Housing Corporation, Toronto Public Health, and Toronto Public Library.
- The City's fleet contracts can be accessed by the agencies (maintenance, rentals, tires).
- The City's Emergency Medical Services (EMS) Division vehicles use Toronto Police Service Fleet fuel locations to refuel.
- The agencies use the City's fuel locations to refuel.
- The agencies use the City's pricing to purchase fuel, where advantageous.
- The agencies use the City's pricing on vehicles, where advantageous.
- The agencies participate in the City's emergency management planning to provide a comprehensive overview of fleet contingencies, contacts, and resources.
- Agency fleet training opportunities are available to City division employees.
- The City provides training to the agencies when requested.

Human Resources

The City's Human Resources Division provides a full range of services to Toronto Public Health, full labour relations services, including bargaining, to Exhibition Place, and provides bargaining services to the Zoo. Additionally, The City's Health and Safety group is engaged with the agencies as listed below.

- Toronto Parking Authority, Toronto Public Library, and Exhibition Place use the City's Health & Safety group for Health & Safety training.
- The City's Health & Safety group offers some Health & Safety consultation to the agencies, upon request.

Information and Technology

The City's Information & Technology Division is engaged with the agencies as listed below.

- Provides a full range of Information Technology services to Toronto Public Health.

- The City's Chief Information Officer and the heads of Information Technology for Toronto Public Library, Toronto Transit Commission, and Toronto Police Service regularly meet to discuss strategy, policy, and collaboration opportunities.
- The City and the agencies meet regularly to share standards and best practices.
- The City, Toronto Public Health, and Toronto Community Housing Corporation are currently sharing a Data Centre.
- The City and the agencies regularly meet to discuss vendor products and identify opportunities for joint Information Technology purchasing.
- The City provides infrastructure and application services and support to the Zoo.
- Toronto Transit Commission will be leveraging the City's existing contract pricing of SAP licences.

Information Management

The City's Information Management Division is engaged with the agencies as listed below.

- The City provides low-cost, off-site records retrieval and storage services for more than 50 agencies, boards, committees, and corporations, including Exhibition Place, Toronto Parking Authority, Toronto Police Service, Toronto Public Health, Toronto Transit Commission, Toronto Community Housing Corporation, Hydro, the Zoo, Toronto Port Lands, Sinking Fund Committee, AOCC Boards, Business Improvement Areas, Heritage Toronto, St. Lawrence Centre for the Arts, Toronto Licensing Tribunal, and numerous Quasi-Judicial and Advisory Boards.
- Of the City's 800 Livelink Records Management Software licenses, over 50 are shared and used by the agencies listed above.
- The City provides archives services (preservation and access by the public) for Toronto Public Health, Toronto Transit Commission, Hydro, and the 519 Community Centre.
- The City processes Freedom of Information (FOI) Requests for Build Toronto, Toronto Public Health (for MFIPPA requests only), Arena Boards, AOCCS, the Zoo, and numerous Quasi-Judicial and Advisory Boards.
- The City provides advice to agencies on classification and scheduling of common administrative records such as financial, human resources, and administrative records.
- The City shares information management policies and standards with the agencies.
- The City has concluded Service Level Agreements for information management services with Toronto Public Health, Toronto Transit Commission, Harbourfront, The 519, Applegrove Community Centre, and Ralph Thornton Community Centre.

Insurance and Risk Management

The City's Insurance & Risk Management group is engaged with the agencies as listed below.

- The City provides a full range of services to Toronto Police Service, Toronto Public Health, Toronto Public Library, and the Zoo.
- The City provides services to the other agencies upon request.

Internal Audit

The City's Internal Audit Division is engaged with the agencies as listed below.

- The City provides audit services to Toronto Public Health.
- The City provides internal audit services to Exhibition Place on a fee per audit basis, which is determined at the beginning of each audit.

- The City has assisted Toronto Community Housing Corporation to implement recommendations from the Auditor General's report on Procurement.
- The City is working with the Toronto Police Service Board which identified two potential reviews.
- Toronto Community Housing Corporation, Toronto Transit Commission, Toronto Police Service, and the City have collaboratively established a Cross-agency Audit Working Group that meets quarterly. The quarterly meetings are intended to discuss emerging issues in the internal audit field, leverage training opportunities, exchange ideas, share tools, and share work programs. These meetings are deemed to be extremely beneficial to all participating organizations and all participating organizations have gained knowledge from the experiences of the others.

Legal Services

The City's Legal Division is engaged with the agencies as listed below.

- The City's provides legal support for real estate transactions to all agencies.
- The City provides all services to Exhibition Place, Toronto Public Health, and the Zoo.
- The City provides municipal law expertise to Toronto Public Library and Toronto Parking Authority.
- The City is the Toronto Police Services Board's legal counsel and provides legal support to both Toronto Police Service and the Toronto Police Service Board for contracts, employment law, and non-employment-related human rights claims.

Parking Services

Toronto Parking Authority is engaged with the City, Toronto Transit Commission, and Toronto Community Housing Corporation as listed below.

- Toronto Parking Authority operates 53 parking facilities owned by the City and Toronto Transit Commission on a year-round basis.
- Toronto Parking Authority operates 15 City locations during the summer months only.
- Toronto Parking Authority operates one parking facility for Toronto Public Library.
- Toronto Parking Authority has completed a successful pilot project with Toronto Community Housing Corporation to operate their parking facilities.

Purchasing

The City's Purchasing and Materials Management Division (PMMD) is engaged in procurement of common goods and services with the agencies in the ways listed below.

- The City provides a full range of procurement services to Exhibition Place and Toronto Public Health directly.
- The City and the agencies established a Cooperative Purchasing Group (CPG) which includes Toronto Public Library, Toronto Transit Commission, Toronto Police Service, Exhibition Place, Toronto Community Housing Corporation, and the Zoo to identify and work collaboratively on procurement initiatives.
- Agencies and Corporations use City Stores to pick up commonly held inventory, this includes Toronto Transit Commission, Toronto Community Housing Corporation, Toronto Police Service, Exhibition Place, Toronto Parking Authority, University of Toronto, the Zoo, University Settlement, Harbourfront Community Centre, St Lawrence Centre for the Arts, 519 Church St Community Centre, and Deep Quong Non-Profit

Homes Inc. (See Appendix 2 for listings of joint purchases and piggy-back purchases done to date and future joint procurement opportunities identified.)

Real Estate

The City's Real Estate Services Division is engaged with the agencies as listed below.

- The City provides a full range of services to Toronto Public Health and Toronto Police Service.
- The City provides some lessor services to Toronto Public Library.
- The City provides leasing services to Toronto Transit Commission and Toronto Parking Authority in some circumstances.
- The City rents space to the agencies and the agencies rent space to the City.

Toronto Public Health

The City and Toronto Public Health are highly integrated and share all services. The City offers a full suite of services to Toronto Public Health in the areas listed below.

- Facilities Management
- Insurance and Risk Management
- Fleet Services
- Internal Audit
- Human Resources
- Legal Services
- Information and Technology
- Purchasing
- Information Management
- Real Estate

3. Summary of the Status of the Shared Service Recommendations

The chart below is a summary of the status of the shared services opportunities as broken down in EX32.3(*Results of the Shared Services Study – Agencies*). Detailed explanations for each opportunity are included in Appendix 1.

EX32.3 Rec. #	Recommendation / Task to Complete Recommendation	Status	Target Completion
Implement and Report as Required			
3a	Share generic training and learning functions		
	- Establish a Working Group	Established	Ongoing
	- Examine Shared Services Opportunities	In Progress	2014
3b	Coordinate and standardize common Health and Safety functions		
	- Establish a Working Group	Established	Ongoing
	- Examine Shared Services Opportunities	In Progress	2014
3c	Enhance the use of the City's Internal Audit Division by agencies		
	- Offer Internal Audit Services to EP	Complete	
	- Offer Internal Audit Services to TPL	Complete	
3d	Establish a Quality Assurance Centre of Excellence		
	- Establish a Centre of Excellence	In Progress	Ongoing
	- Consider extending membership to the Agencies	Not Started	2015
3e	Continue to rationalize the City stores and automate P2P processes		

EX32.3 Rec. #	Recommendation / Task to Complete Recommendation	Status	Target Completion
	- Rationalize Locations & Increase Direct Deliveries	In Progress	Ongoing
	- Automate P2P Processes	In Progress	2015
4	Provide the City's online submission application for FOI requests agencies		
	- Create a FOI Online Submission Application	In Progress	2014
	- Make the Application Available to the agencies	Not Started	2015
5	Expand the City's provision of lessor services to Toronto Transit Commission and Toronto Parking Authority		
	- Complete an Analysis of the Recommendation	Complete	
6	Insure the Toronto Transit Commission and the Toronto Parking Authority under the City's insurance		
	- Complete an Analysis for Toronto Parking Authority	In Progress	2015
	- Complete an Analysis for TTC	In Progress	2014
	- Develop a Strategy for Moving Forward with TTC	Not Started	2015
Implement Pending Further Due Diligence and Planning			
1	Develop a labour relations and collective bargaining strategy		
	- Establish a Working Group	Established	Ongoing
	- Develop a Strategy for Moving Forward	In Progress	2015
7a	Share procurement of common goods and implement strategic sourcing		
	- Establish a Cooperative Purchasing Group	Established	Ongoing
	- Establish Strategic Sourcing Working Group	Established	Ongoing
	- Perform Due Diligence	In Progress	2014
	- Develop a Strategy for Moving Forward ¹	Not Started	2015
7b	Standardize human resource information systems and share payroll administration		
	- Establish a Working Group	Established	Ongoing
	- Perform Due Diligence ¹	Not Started	2015
	- Develop a Strategy for Moving Forward ¹	Not Started	2015
7c	Share common information technology infrastructure		
	- Establish a Working Group	Established	Ongoing
	- Perform Due Diligence	In Progress	2014
	- Develop a Strategy for Moving Forward	Not Started	2015
7d	Rationalize information technology applications		
	- Establish a Working Group	Established	Ongoing
	- Perform Due Diligence	In Progress	2014
	- Develop a Strategy for Moving Forward	Not Started	2015
7e	Coordinate real estate contract and vendor management		
	- Establish a Working Group	Established	Ongoing
	- Complete an Analysis of the Recommendation	In Progress	2014
	- Develop a Strategy for Moving Forward	Not Started	2015

EX32.3 Rec. #	Recommendation / Task to Complete Recommendation	Status	Target Completion
7/1	Establish a change management centre of excellence		
	- Establish a Working Group	Established	Ongoing
	- Develop a Strategy for Moving Forward	In Progress	2014
8	Include the agencies in a plan to transition to managing digital records		
	- Establish a Working Group	Established	Ongoing
	- Develop a Strategy for Moving Forward	In Progress	2016
Additional Shared Services Opportunities			
N/A	Incorporate the agencies in the Facilities Transformation Project		
	- Establish a Working Group	Established	Ongoing
	- Develop a Strategy for Moving Forward	In Progress	2015
N/A	Create a Fleet Management Centre of Excellence		
	- Establish a Fleet Management Steering Committee	Established	Ongoing
N/A	Establish an IT Contract Management Centre of Excellence		
	- Establish a Centre of Excellence	In Progress	2014
N/A	Create an Internal Audit Centre of Excellence		
	- Establish a Cross-agency Audit Working Group	Established	Ongoing
N/A	Create a Real Estate Centre of Excellence		
	- Establish a Community of Practice	Established	Ongoing

¹ – The completion of these items will depend on the outcome of internal projects.

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SIGNATURE

(Original Signed by Roberto Rossini)

Roberto Rossini
Deputy City Manager & Chief Financial Officer

ATTACHMENTS

Appendix 1: Detailed Status of Recommendations
Appendix 2: Summary of Cooperative Purchases

APPENDIX 1: Detailed Status of Recommendations

This appendix details the status of the work being done to complete the shared services recommendations in the report. Throughout this appendix the agencies and Corporations are represented in abbreviation, as detailed below.

Acronym	Agency
EP	Exhibition Place
Hydro	Toronto Hydro
TCHC	Toronto Community Housing Corporation
TPA	Toronto Parking Authority
TPS	Toronto Police Service
TPH	Toronto Public Health
TPL	Toronto Public Library
TTC	Toronto Transit Commission
Zoo	Toronto Zoo

Status of Opportunities Recommended to Implement and Report Further as Required

Share Generic Training and Learning Functions

Council Directive

City Council refers the following shared service opportunities to the City Manager to commence implementation in 2014 and to report further as required:

- a. Share generic training and learning functions

What has been done to date?

A Learning Working Group formed between the City and the agencies and has met twice to discuss shared services opportunities, share best practices, and discuss sharing training space.

In 2013, two Requests for Proposal (RFPs) were completed by the City that identified that successful proponents could provide services at the same cost structures to the City's agencies and Corporations. The inclusion of the agencies and Corporations in the scope of the RFPs encouraged vendors to submit competitive bids and allows the agencies and Corporations to access high quality services based on a rigorous, competitive selection process without an additional RFP.

The first of many phases of the City's Learning Management System (LMS) went live on February 26, 2014 with a plan to complete the roll-out by 2018. The City included the agencies and Corporations in the contract for the LMS, allowing them to access the LMS using the City's pricing, however, they will need to conduct an analysis to determine whether the LMS meets their business needs.

What is the framework for moving forward?

The Learning Working Group will continue to meet regularly to discuss shared services opportunities and share best practices

In addition, the working group will hold a special meeting for agencies in the fourth quarter of 2014 demonstrate the features, functions, and cost of the LMS. The meeting will provide sufficient information to allow agencies to undertake their own internal assessment of their readiness, capacity, and interest in using the LMS to manage their learning functions.

Coordinate and Standardize Common Health and Safety Functions

Council Directive

City Council refers the following shared service opportunities to the City Manager to commence implementation in 2014 and to report further as required:

- b. Coordinate and standardize common health and safety functions

What has been done to date?

In April, 2014, the City and the agencies (TTC, TPL, TPS, EP and TPA) formed a Common Health and Safety Working Group. This initial meeting was to help create an inventory of services that each agency and the City provided in order to determine areas that can be explored more deeply in a shared services model. Some items that were noted as potential items to be shared include:

- Increased information sharing around advisory bulletins;
- Capitalizing on e-learning modules related to health and safety;
- Developing a common approach to comply with new training standards;
- Developing a common approach to responding to legislative changes;
- Identifying common procurement related to health and safety; and
- Identifying common equipment needs and services..

What is the framework for moving forward?

The Common Health and Safety Working Group will continue to meet monthly and have already identified areas for additional cooperation. For example, the City and the agencies will be exploring opportunities to coordinate a response to new Health & Safety training requirements and to take a common approach for the move toward the new Global Harmonized System for Classification and Labelling related to workplace hazardous materials.

Enhance the Use of the City's Internal Audit Division by agencies that do not have their own Internal Audit Resources

Council Directive

City Council refers the following shared service opportunities to the City Manager to commence implementation in 2014 and to report further as required:

- c. Enhance the use of the City's Internal Audit Division for compliance, assurance and business risk consulting services by agencies that do not have their own audit resources

What has been done to date?

Of the in scope agencies, TTC, TPS, and TPA have their own internal audit staff to complete audit services and therefore are not included in this recommendation.

Internal Audit currently provides audit services to EP on a fee per audit basis which is determined at the beginning of each audit. Internal Audit has also assisted TCHC to implement recommendations from the Auditor General's report on Procurement and met with the TPS Board which identified two potential reviews for completion in 2014/2015.

At a meeting on May 15, 2014, Internal Audit and TPL discussed the services Internal Audit could provide TPL similar to how EP engages Internal Audit services. In addition, Internal Audit shared some contract management tools with TPL.

What is the framework for moving forward?

Internal Audit will continue to work with the agencies to provide services upon request.

In an effort to ensure resources are available to perform work required by the agencies, Internal Audit suggested that audit requirements of the agencies be provided in advance. However, due to limited resources, the requirements will have to be assessed against other planned audits.

Establish a Quality Assurance Centre of Excellence

Council Directive

City Council refers the following shared service opportunities to the City Manager to commence implementation in 2014 and to report further as required:

- d. Establish a Quality Assurance Centre of Excellence to leverage tools, templates and specialized skills, coordinate work plans and share best practices

What has been done to date?

In 2013, the City's Internal Audit (IA) Division selected a sample of Quality Assurance (QA) units across the City divisions (Toronto Water, Toronto Employment and Social Services, Children's Services, and Shelter Support & Housing Administration) and one agency (TPH) as a pilot group. IA gathered information on QA activities being performed in each pilot group to familiarize themselves with the various QA functions throughout the City.

What is the framework for moving forward?

Once Internal Audit is familiar with the functions of the pilot QA groups, they will facilitate a meeting with the key participants from each pilot group to discuss benefits of the development of a Centre of Excellence to share the practices, methods, and tools. If it is decided that the development of a Centre of Excellence would add value to the City, platform alternatives for sharing this knowledge will be explored and evaluated and a plan to incorporate the agencies will be developed.

Continue to rationalize the City Stores and increase direct delivery of consumable goods and automate P2P processes

Council Directive

City Council refers the following shared service opportunities to the City Manager to commence implementation in 2014 and to report further as required:

- e. Continue to rationalize the City stores and increase direct delivery of consumable goods and automate P2P (purchase to pay) processes

What has been done to date?

This recommendation from KPMG's Shared Services Study related only to the City of Toronto and was consistent with recommendations from the Auditor General related to continuing to rationalize City Stores, increase direct delivery of products where appropriate and increase the use of technology. Rationalization of City Stores is a continual process of determining whether existing stores should be closed, consolidated or expanded and whether new stores should be opened.

The rationalization of City Stores began in 2006 with six Divisions in scope and a total of 7 Corporate Stores and 18 Divisional warehouses, for a grand total of 25 stores/warehouses. At the beginning of 2014, there were 4 Corporate Stores (60 Brant St, 320 Bering Avenue, 1050 Ellesmere Avenue and City Hall), 3 Corporate Warehouses (Finch, Rivalda, and Dohme) and 7 Divisional warehouses. As of the end of May 2014, PMMD has opened up a new Corporate Store/Warehouse located at 799 Islington Avenue by consolidating two (2) Corporate Stores (60 Brant Street and 320 Bering Avenue) into the new location, leaving three Corporate Stores and three Corporate Warehouses. 799 Islington is approximately a 32,000sq foot warehouse. Since the opening of 799 Islington, the Office of Emergency Management was able to move its emergency supplies (cots, blankets etc.) into 799 Islington at a savings of \$48,000/yr in rentals.

City Divisions also have Divisional Warehouses, where the inventory is overseen/managed by PMMD but manned by staff from the respective City Division. At the beginning of 2014 the following Divisions had PMMD managed warehouses:

- Parks, Forestry and Recreation – 1 warehouse;
- Toronto Water – 2 warehouses;
- EMS – 1 warehouse; and
- Toronto Fire – 1 warehouse.

Finally, PMMD has been working on an overall supply chain management technology solution. PMMD has hired PricewaterhouseCoopers to conduct a fit-gap analysis and to provide a technology implementation roadmap in order for PMMD to enhance its use of technology, including items such as an online ordering capability for City staff to order from City stores and the use of scanners.

What is the framework for moving forward?

By the end of 2014, PMMD will further consolidate two Corporate Warehouses (Rivalda and Dohme) into 799 Islington Avenue and plan to close the City Hall Store (which currently

only operates on Wednesday), leaving two Corporate Stores and one Warehouse (799 Islington, 1050 Ellesmere and Finch).

PMMD will continue to work with the Divisions to rationalize the Divisional Warehouses and determine whether those warehouses can be consolidated further into 799 Islington Avenue. Discussions have already begun with PF&R to store seasonal equipment, with Facilities and with EMS. PMMD will also continue to create, validate, and use direct delivery options with vendors, where appropriate, without incurring unnecessary inventories of overstocked goods throughout the City in various departments.

The report from PricewaterhouseCoopers on a technology implementation roadmap will be completed in early September and the resulting business case will form the basis for a request to the 2015 capital budget submission.

The following table summarizes the number of stores/warehouses that the City has rationalized from 2006 to Jan 1, 2014 and the anticipated rationalization that will occur by the end of 2014

# of Stores/Warehouses in 2006	# of Stores/Warehouses as of January 1, 2014	# of Stores/Warehouses planned for end of 2014
25 (7 Corporate Stores & 18 Divisional Warehouses)	14 (4 Corporate Stores, 3 Corporate Warehouses & 7 Divisional Warehouses)	9 (3 Corporate Stores, 1 Corporate Warehouse & 5 Divisional Warehouses)

Provide the City’s online submission application for Freedom of Information requests to interested agencies when it becomes available

Council Directive

City Council requests the City Clerk to provide as a best practice, the City’s online submission application for Freedom of Information requests to interested agencies when it becomes available.

What has been done to date?

The Information Management Working Group, with representation from the agencies has met twice. TTC, TPL, EP, TPS, and various other City agencies are separate institutions under the *Municipal Freedom of Information and Protection of Privacy Act* (MFIPPA). Under the requirements of the legislation, each agency must process their own Freedom of Information (FOI) requests.

The City is currently developing an online FOI application system. This system will give the public the option of requesting and paying the application fee for FOI requests online. These agencies may be able to adapt the City’s technical solution to their FOI intake process.

The City Clerk’s Office expects to have the online submission and payment solution completed in the fourth quarter of 2014. While an online submission and payment will

benefit the public, only the City and the TPS receive more than 50 requests in a year (TPS received over 5,000, City of Toronto over 2,500), based on 2012 statistics.

What is the framework for moving forward?

The City Clerk's Office will continue to meet regularly with the agencies to update them on the status of the solution throughout 2014. Once the solution is deployed, the agencies will have the opportunity to determine if it meets their business requirements and can be adapted to their current technology infrastructure.

Expand the City's provision of lessor services to the TTC and the TPA

Council Directive

City Council requests the Chief Corporate Officer to work with the Chief Executive Officers of the Toronto Transit Commission and Toronto Parking Authority regarding the possibility of the City providing lessor services to their agencies.

What has been done to date?

The City's Real Estate Services Division has been working with the TTC and TPA since 2012 on certain leasing activities and has been providing a full-range of leasing services to TPL since 2004.

The City's Director of Real Estate Services met with the agencies on April 16, 2014 to discuss the value of the City providing further lessor services to TTC and TPA. They decided that the City increasing lessor services to TTC and TPA would create no significant value since the organizations' business models are too different.

They did agree, however, that the creation of a centre of excellence to share best practices and explore further shared services opportunities would create a great amount of value for both the agencies and the City.

What is the framework for moving forward?

The City's Director of Real Estate Services will coordinate regular meetings to review this opportunity and discuss further shared services opportunities and share best practices.

Insure the TTC and the TPA under the City's insurance where the City is able to provide similar coverage for a lower cost

Council Directive

City Council requests the City Manager and Deputy City Manager & Chief Financial Officer, to work with the Chief Executive Officers of the Toronto Transit Commission and Toronto Parking Authority, to insure the Toronto Transit Commission and the Toronto Parking Authority under the City's insurance for non-specialized policies and exclusive of claims, where the City is able to provide similar coverage for a lower cost and report further as required.

TPA

What has been done to date?

The City's Insurance and Risk Management Division performed an analysis in 2012 to include the TPA under the City's insurance. It confirmed that the TPA's insurance requirements could be blended with the City's and there would be savings for the TPA. In 2012 the TPA performed an analysis and found that a move to the City's higher deductible level, given the TPA's claims experience, would result in an increase in self-insured claim payouts greater than any premium savings. As a result the overall cost of the City's insurance program would increase. Furthermore, it is questionable whether the insurance premium review included other elements necessary to support the appropriate administration levels required by TPA and types of coverages necessary to meet the TPA's insurance needs.

What is the framework for moving forward?

On April 10, 2014 the City's Insurance and Risk Management group and TPA met to discuss this subject further. They have agreed that a detailed project plan is necessary to ensure that all elements of the TPA insurance program are reviewed. The scope of the review will require detailed analysis and the assistance of a consultant. It is expected that Insurance & Risk Management and the TPA will be in a position to begin this work in the first quarter of 2015.

TTC

What has been done to date?

The City's Insurance and Risk Management Division and the TTC have completed an industry consultation to get feedback from the industry with respect to whether the City and the TTC can combine brokerage services and insurance programs, excluding claims, in order to derive savings in brokerage fees and insurance premiums. Six brokerage firms were invited to participate in the industry consultation and three brokerage firms agreed to meet with the City and the TTC to discuss eleven questions.

The findings of the industry consultation determined that it is unlikely that there will be cost savings achieved by combining insurance programs due to the dissimilarity between the two organizations. With respect to combining insurance broker services, the industry said the City and TTC should not consider issuing a joint Request for Proposal for broker services until a decision is made about establishing a common insurance administration amongst the two entities.

What is the framework for moving forward?

The City's Insurance and Risk Management Division along with the TTC will renew existing brokerage agreements for a short-term period (1 or 2 years) and will continue to collaborate on whether establishing a common insurance administration framework is of value to the City and the TTC and what the scope of a common insurance administration framework would look like.

Status of Opportunities Recommended to Implement Pending Further Due Diligence and Planning

Develop a City-wide labour relations strategy

Council Directive

City Council authorizes the City Manager and the Executive Director, Human Resources to lead the development of a labour relations and collective bargaining strategy for the City and its agencies going forward, in consultation with City agencies, and report the strategy to the City's Employee and Labour Relations Committee for approval in principle.

What has been done to date?

The City's Executive Director of Human Resources has formed an HR Shared Services Steering Committee with the key agencies. This Steering Committee has been in discussions to enhance communications related to their various Labour Relations and Collective Bargaining Strategies. The discussions are ongoing and a corporate strategy has not been developed or sent to the City's Employee & Labour Relations Committee for approval. However, the discussions have led to the TTC's recently-negotiated agreements generally following the City's wages pattern and cost containment provisions, with some localized differences.

The discussions with the agencies have been mindful of the differences in governance structures and the various expiry dates of the City's and agencies' collective agreements. The following table sets out the expiry dates of the City's and agencies' collective agreements.

Organization	Expiry of Collective Agreement
City of Toronto	- December 31, 2014: TPFPA Local 3888 - December 31, 2015: - CUPE Local 79 - 4 agreements - TCEU (CUPE) Local 416 - CUPE Local 2998
TTC	- March 31, 2018: - ATU Local 113 - CUPE Local 2 - IAMAW Lodge 235 - CUPE Local 5089
TPS Board	- December 31, 2014: Toronto Police Association - 6 agreements - December 31, 2014: Senior Officers' Organization - 2 agreements
TPL	- December 31, 2015: CUPE Local 4948
TPA	- March 31, 2017: TCEU Local 416
EP	- December 31, 2015:

Organization	Expiry of Collective Agreement
	<ul style="list-style-type: none"> - CUPE Local 2840 - IBEW Local 353 - CUPE Local 5116 - IATSE Local 58 - Painters & Allied Trades - Carpenters Local 27 - Plumbers Local 46 - March 31, 2016: LIUNA Labourers Local 506

The TTC's recently negotiated agreements in 2014 generally follow the City's wages pattern and new cost containment provisions, with some localized differences, in part, facilitated by enhanced information sharing by the HR Shared Services Steering Committee.

The City and EP entered into a direct Shared Services Agreement in 2013, where the City's HR/Labour Relations Section provides direct labour relations services including leading collective bargaining, under the mandate authorized by the Board of Exhibition Place for its 8 unions.

Although the Toronto Zoo was not part of the KMPG's review, the City and Toronto Zoo entered into a direct Shared Services agreement in 2013, where the City's HR/Labour Relations planned and lead collective bargaining on behalf of and under the mandate of the Toronto Zoo's Board of Management for bargaining with CUPE Local 1600.

The City and the Toronto Police Services Board (TPSB), in March 2014, entered into a direct Shared Services Agreement where the City's HR/Labour Relations Section will plan and lead collective bargaining negotiations on behalf of and under the direction of the TPSB for upcoming negotiations with the Toronto Police Association.

What is the framework for moving forward?

The governance structure boards and legislation combined with the staggered multi-year collective agreement expiry dates of the numerous collective agreements put limitations on the ability of the City and the agencies to have a one-size fits all coordinated labour relations and collective bargaining strategy. However, the City's HR liaison activities and the collaborative sharing of information with the agencies combined with the direct service agreement arrangements create the beginnings of the development of a successful working framework.

The HR Shared Services Steering Committee will continue to meet regularly to share information and discuss collective bargaining strategies, best practices and successful strategies and bargaining outcomes. Any coordinated labour relations strategy will need to be brought to the City's Employee and Labour Relations Committee and the respective agencies' Boards for their independent adoption.

KPMG has estimated that pursuing this opportunity may yield annual cost savings 1% of the City's annual salary/benefits budget or approximately \$47M. The City Manager, DCM & CFO, and Executive Director of Human Resources agree that there are potential cost savings, particularly the avoidance of higher and rising future costs, but are of the opinion that cost savings will likely be lower than the KPMG estimates given the complexity of the collective bargaining process and the pragmatic realities of collective bargaining in the public sector – specifically for those agreements that are subject to binding arbitration.

Share procurement of common goods and services and implement strategic sourcing

Council Directive

City Council refers the following shared service opportunities to the City Manager for further due diligence and consultation with City agencies and report back to Executive Committee with a multi-year shared service implementation plan and after consideration by boards of affected City agencies:

- a. Share procurement of common goods and services and implement strategic sourcing

What has been done to date?

The City and agencies established a Cooperative Purchasing Group (CPG) in September 2013 for the purpose of identifying common procurement opportunities, which includes TPL, TTC, TPS, EP, and Toronto Community Housing Corporation. The Toronto Zoo Board and TPA joined the CPG in 2014.

The CPG has been meeting monthly to review, streamline, consolidate and collaborate on procurement opportunities, where feasible. The goal is to identify the common purchases of goods and services in order to conduct a joint procurement and to align future contracts such that the City and the agencies can benefit from economies of scale in larger purchases. During the meetings, the City provides a list of contracts that involve multiple City Divisions as starting point to identify joint procurement opportunities with the agencies. The agencies also bring forward their own existing contracts that are expiring during the year to determine if there is an opportunity to do a joint procurement with the City or with another agency. Once a joint procurement opportunity is identified the agencies and the City will meet outside the CPG's meeting in order to further analyze the requirements of the opportunity to ensure that it is an appropriate opportunity to work together on. The CPG monthly meetings are also used to discuss emerging issues in the purchasing field, exchange ideas, share tools and best practices and invite subject matter experts in various commodities or services such as Printing Services, City Stores, and Information and Technology to identify further shared service opportunities.

The City and its agencies have participated collaboratively in a number of procurement opportunities. These opportunities have been in the form of conducting a joint procurement (where the City and agency work together to ensure their respective requirements are included in the call document from the beginning), or where an agency has piggy-backed off an existing City contract to establish their own agreement/contract with the successful bidder. Appendix 2 provides a list of the purchases done jointly with one or more agencies and/or where an agency has piggy-backed off the City's contract.

What is the framework for moving forward?

The CPG will continue to meet monthly to identify new joint procurement opportunities. Appendix 2 includes a list of possible joint procurement opportunities that the CPG members have identified to date as potential opportunities that require further due diligence. This list is not static, and further joint procurement opportunities will be identified as the CPG group moves forward. The CPG will also do the following to improve the joint procurement process during 2014:

- formalize the governance structure of the CPG by finalizing terms of reference;
- improve and strengthen ways of sharing information in order to identify potential joint purchasing opportunities more efficiently;
- review and compare the City's and the agency's standard terms and conditions in order to better align contract terms; and
- identify metrics to track benefits from participating in joint procurements.

With respect to implementing strategic sourcing, KPMG recommended that the City should re-organize a part of Purchasing and Materials Management Division (PMMD) in order to manage purchasing on a Category Management basis, and once that has proven successful develop a shared service model with the agencies for common procurement. The Chartered Institute of Purchasing & Supply defines Category Management as:

"organising the resources of the procurement team in such a way as to focus externally onto the supply markets of an organisation (as against having a focus on the internal customers or on internal Procurement departmental functions) in order to fully leverage purchasing decisions".

PMMD has to conduct further due diligence on the concept of category management, including conducting a spend analysis and how the City may implement category management within PMMD. The further due diligence PMMD will conduct over 2014 includes developing an internal City steering committee, a project team, gathering data on the City and agencies common spend by commodities, consulting with the appropriate stakeholders, including the Unions, and conducting a review of PMMD's structure, with the assistance of an external consultant, to provide an implementation plan on how to move PMMD from its current state to one that recommends incorporating strategic sourcing such as category management. Once an appropriate implementation plan has been developed, any changes to PMMD's structure will be recommended in a future budget submission.

Standardize human resource information systems and share payroll and benefits administration

Council Directive

City Council refers the following shared service opportunities to the City Manager for further due diligence and consultation with City agencies and report back to Executive Committee with a multi-year shared service implementation plan and after consideration by boards of affected City agencies:

- a. Standardize human resource information systems and share payroll and benefits administration

What has been done to date?

The City's Pension, Payroll, and Employee Benefits Division (PPEB) completed a Program Review of operations, including a complete review of its end-to-end business process, in 2013.

Based on the results of this review, PPEB has embarked on three major IT infrastructure projects - the Employee and Management Self Service Portal (ESS/MSS); an Enterprise Time, Attendance and Scheduling Management program (TASS); and a major update to SAP as it relates to payroll (CATS).

The ESS/MSS project commenced in March 2014 and will be completed in 2015. The City is in the final stages of completing a RFP for the CATS/TASS project and it is expected to be released in June 2014. It is anticipated the project will commence in late 2014 with the work completed in 2016.

It was recommended by both the consultant who conducted the Program Review and KMPG that prior to the City examining shared services opportunities in depth it needs to upgrade its IT infrastructure and modernized its end-to-end processes. As a result, the focus over the next 2 years will be implementing the 3 capital projects and reviewing its business process and organizational structure to prepare the foundation for shared services.

The City and agencies, however, do feel that mutual benefit can be gained by creating a community of practice immediately to share best practices and examine any potential shared services opportunities. The first of these meetings took place on April 16, 2014.

What is the framework for moving forward?

The City's Director, PPEB will also be engaging a Project Manager in order to lead a team of staff to ensure PPEB is utilizing best practices which will ensure that the implementation of the three major capital projects will be done to best practices standards.

The City's Director, PPEB will coordinate monthly meetings with the agencies to update the agencies on the status of the major capital projects, to share best practices, review all collective agreements and business requirements, and determine potential shared services opportunities, given the differences in each agency's business.

Share common information technology infrastructure

Council Directive

City Council refers the following shared service opportunities to the City Manager for further due diligence and consultation with City agencies and report back to Executive Committee with a multi-year shared service implementation plan and after consideration by boards of affected City agencies:

- a. Share common information technology infrastructure with a focus on infrastructure management, data management and storage

What has been done to date?

The City's I&T Division has assigned a project manager in I&T to oversee the common IT infrastructure shared service opportunity, the applications rationalization shared service opportunity discussed below, and the establishment of the IT Contract Management Centre of Excellence. I&T has also identified the need to engage external Information and Communications Technology (ICT) consultants through the city's RFP process to lead the analysis of the Shared Services Recommendations and develop an implementation plan. I&T has already begun the development of a RFP to engage a consultant with expertise in ICT Infrastructure operation and management and this RFP is expected to be completed and awarded by July.

A project team with both City and agency representatives has been assembled to undertake the due diligence required to appropriately assess and identify recommendations to potentially implement a common IT infrastructure. This team includes IT, financial, and labour relations experts from both the City and the agencies.

In addition, high level discussions regarding a common data centre are underway with the agencies.

What is the framework for moving forward?

The next step to moving forward on this opportunity is to hire engage the ICT consultant and, with the IT project team, develop the appropriate implementation plan.

In contrast to the KPMG approach, the ICT Consultant will consider all common I&T infrastructure provided by the City and agencies as in scope until the due diligence is conducted that determines that a particular form of infrastructure should be out of scope. Options related to IT Shared Services, including a data centre strategies, will be developed, including a cost/benefit analysis for each option. Based on these options, a recommendation with a high-level plan and budget will be presented. It is expected that this will be complete in the first quarter of 2015.

Rationalize information technology applications

Council Directive

City Council refers the following shared service opportunities to the City Manager for further due diligence and consultation with City agencies and report back to Executive Committee with a multi-year shared service implementation plan and after consideration by boards of affected City agencies:

- a. Rationalize information technology applications

What has been done to date?

In order to properly include the agencies in a rationalization exercise, the City first needs to understand their portfolio and associated functionality. To that end, the City has undertaken an initiative to address the IT Application Portfolio Rationalization for the 44 city divisions.

As a first step in this rationalization, the City is collecting an inventory of software applications, including information related to developer, software and hardware platform, functionality, and divisional use. A RFP will be developed to acquire the service of a consultant specialist to develop a application rationalization framework for shared services. The RFP will be issued in Q4 2014 and a high level recommendations with options and budget can be expected to complete by Q4 2015.

What is the framework for moving forward?

The potential rationalization of applications across the City and the agencies will require the development of a process for identifying common functionality of software applications in use, specific application architecture and performance requirements for shared services, as well as the required application infrastructure platform to support a new shared application services environment. A cost/benefit analysis approach to determining which applications should be candidates for rationalization and associated application infrastructure and administration will be developed.

With the implementation of a well defined and well architected common IT infrastructure, application rationalization opportunities will increase. However, this cannot be fully realized until such time that a comprehensive assessment of city's application and systems portfolio is complete to determine the required relevant infrastructure. Meanwhile, the assessment and cost/benefit analysis for a common infrastructure can establish at least a base line for shared services options.

Coordinate real estate contract and vendor management through an information technology platform

Council Directive

City Council refers the following shared service opportunities to the City Manager for further due diligence and consultation with City agencies and report back to Executive Committee with a multi-year shared service implementation plan and after consideration by boards of affected City agencies:

- e. Coordinate real estate contract and vendor management through an information technology platform

What has been done to date?

The City's Director of Real Estate Services met with the agencies on April 16, 2014 to discuss sharing information related to Real Estate Services. All agencies agreed that it would be beneficial to share information and to meet regularly to examine further shared services opportunities and best practices.

The creation of a common information technology platform will depend on the City's Information and Technology Division.

What is the framework for moving forward?

The City's Director of Real Estate Services will coordinate regular meetings to review this recommendation and discuss further shared services opportunities and share best practices.

Establish a Change Management Centre of Excellence

Council Directive

City Council refers the following shared service opportunities to the City Manager for further due diligence and consultation with City agencies and report back to Executive Committee with a multi-year shared service implementation plan and after consideration by boards of affected City agencies:

- f. Establish a change management centre of excellence to support the implementation of shared services and other major City change initiatives.

What has been done to date?

The amount of change management support needed to implement Shared Services will not be fully known until the assessments and due diligence for opportunities is complete and the strategies for moving forward have been developed. Once the amount of change management support required has been determined, a strategy will be created for the Change Management Centre of Excellence.

The City's Director Organizational Development, Learning, and Workforce Planning and the City Manager's Office have been working on a plan to create a Community of Practice for Change Management from across the organization to increase the capacity to support the change management activities that will be required as implementation of shared services changes proceeds.

What is the framework for moving forward?

The City's Director Organizational Development, Learning, and Workforce Planning and the City Manager's Office will continue to meet regularly to form this Community of Practice for Change Management.

Include in the Information Management Strategy for the City, a plan to transition to managing digital records and phased-in implementation to include City agencies

Council Directive

City Council requests the City Clerk, in consultation with the City Manager and the Chief Information Officer, to include in the Information Management Strategy for the City, a plan to transition to managing digital records and phased-in implementation to include City agencies.

What has been done to date?

The Information Management Working Group, with representation from the agencies has met twice to discuss common strategies, requirements and opportunities.

The City and the agencies are at differing stages of reviewing and implementing digital records management. Digital record keeping initiatives underway in the City, TPS, TTC, and TPL, are based on different legislative and business requirements and time lines. Other shared service initiatives outlined in this report, including common information management

infrastructure, procurement, payroll administration, rationalized applications, and coordinated contract and vendor management, will build capacity for managing digital information and records in these specific projects.

There are more than 100 pieces of legislation that govern the management of City records including the *City of Toronto Act, 2006* and Municipal Code Chapter 217. The City is currently undertaking an Enterprise Document and Records Management System (EDRMS) capital project to manage digital and paper records in City divisions. As part of the EDRMS capital project, the City is evaluating the Ontario Government's Vendor of Record for Document Management with a preferred vendor, and a robust solution that can be purchased in bundles, based on fixed prices. This solution may provide the flexibility for the City and the agencies to acquire components of the solution that best meets their business needs, based on a common platform.

Along with the EDRMS project, the City's Information Management Strategy will include the development of information management policies, guidelines and procedures and preparations for training to City staff in preparation for the cultural shift across the organization to manage digital records. These policies, guidelines, procedures and training materials are shared with agencies through the Information Management Working Group.

What is the framework for moving forward?

Continuing the dialogue between the City and the agencies around digital record keeping will help to identify common solutions and approaches. The development of the Information Management Strategy in 2015 will be another opportunity to identify and include common information management challenges and objectives. Other shared services recommendations, as detailed above, need to be integrated into the Strategy as key phases for implementing technologies, practices and standards. For this reason, it is essential that the working groups for the inter-related recommendations work together through the due diligence process and be consulted on any identified shared services opportunities and implementation plans.

As indicated earlier, the potential of using the Government of Ontario's Vendor of Record may provide a solution with flexible components that can provide a common digital records management platform while meeting specific legislative and business requirements.

Status of Additional Shared Service Opportunities

Establish a Fleet Services Centre of Excellence

What has been done to date?

This recommendation was added to the Shared Services Project by the Executive Steering Committee in March 2014.

The City and the agencies have been meeting since 2006 to identify and implement opportunities for joint participation in fleet management services and activities that achieve cost savings and improve service delivery. Currently the Fleet Management Steering Committee (FMSC) meets monthly to ensure that city-wide fleet-related functions are

economically, efficiently and effectively delivered sharing expertise and resources. The committee is chaired by the City and comprised of senior management staff from the City and agencies. Participants include: Fleet Services, Emergency Medical Services, Toronto Fire Services, TPL, TPS, TTC, EP, Toronto Zoo, and PMMD – TPA was added to the committee in 2014.

The City and its agencies who support a fleet have already participated collaboratively in many initiatives, including fuel management, common procurement, fleet maintenance, fleet training, emergency management shared fleet contingency plans, performance metrics, and environmental initiatives.

Additionally, Fleet Services provides fleet management services for TCHC, TPL, and TPH. All are represented on the FMSC by Fleet Services.

What is the framework for moving forward?

The FMSC will continue to meet monthly for 2014 and, depending on projects/initiatives, will consider bi-monthly meetings thereafter, with one meeting dedicated to an annual strategy review event to evaluate new regulations and directions.

Incorporate the agencies in the Facilities Transformation Project

What has been done to date?

This recommendation was added to the Shared Services Project by the Executive Steering Committee in March 2014.

The Facilities Transformation Project (FTP) started in 2008 and its purpose was to examine shared services opportunities related to facilities operations, facilities maintenance, custodial, facilities security, and facilities state of good repair amongst the City divisions. The scope of this project has been expanded to include the agencies.

What is the framework for moving forward?

The City will include the agencies in the scope of the FTP. Each agency and the City will perform an assessment of the service areas of the FTP and determine if any significant cost savings or service improvement can be gained by working more collaboratively. If further cooperation in any service area is assessed to be mutually beneficial, further due diligence will be performed and an implementation strategy will be developed.

In addition, the City will add the agencies to the membership of the already-existing Facilities Management Service Standards Committee – a community of practice for facilities management – and the City's Manager of Quality Assurance in the Facilities Management Division will coordinate regular meetings with the agencies to update them on the status of the FTP and examine any additional shared services opportunities.

Establish an Information Technology Contract Management Centre of Excellence

What has been done to date?

The City's I&T Division has assigned a project manager in I&T to oversee the Common Information Technology Infrastructure, the Applications Rationalization shared service opportunity discussed below, and the establishment of the IT Contract Management Centre of Excellence.

In addition, the City, TTC, Hydro, TCHC, and TPS met on May 12, 2014 to discuss a coordinated approach to migration to SAP for the agencies examining a change in their current systems. TPS and the City are currently on SAP, TTC has decided to start the transition to SAP, and both Toronto Hydro and TCHC are currently determining which Enterprise Resource Planning (ERP) system is the best suit for their organization.

What is the framework for moving forward?

As the City develops the project plan for the other IT shared service activities, it will include the creation of an IT Contract Management Centre of Excellence. In addition, as City agencies and Corporations contemplate the implementation or change of an ERP system, they will work with the City to assess the feasibility and value of using the same system as the City and leverage any existing City contracts, where advantageous.

Establish an Internal Audit Centre of Excellence

What has been done to date?

Going above the KPMG recommendations, TCHC, TTC, TPS, and the City have collaboratively established a Cross-Agency Internal Audit Working Group that meets quarterly. These meetings are intended to discuss emerging issues in the internal audit field, leverage training opportunities, exchange ideas, and share tools and work programs. These meetings are deemed to be extremely beneficial to all participating organizations and all participating organizations have gained knowledge from the experiences of the others.

What is the framework for moving forward?

The quarterly meetings of the Cross agency Working Group will continue in order to develop and maintain a shared repository of best practices as each agency continues to share their methodologies on general internal audit functions such as succession planning, risk assessment, project costing, and control co-assessment. The membership of this group will be expanded to include TPA.

Establish a Real Estate Centre of Excellence

What has been done to date?

The City's Director of Real Estate Services met with the agencies on April 16, 2014 to discuss the creation of a community of practice to share best practices and explore further shared services opportunities. All participants agreed that the community of practice would create a great amount of value for both the agencies and the City.

What is the framework for moving forward?

The City's Director of Real Estate Services will coordinate regular meetings discuss further shared services opportunities and share best practices.

APPENDIX 2: Summary of Cooperative Purchases

The following two tables identify the cooperative purchases completed to date (either through a joint procurement where agency requirements are built into the City's call before issuance or through piggy-backed procurement where an agency entered into a contract with the City's vendor after the fact) and identify future opportunities identified by the CPG for further analysis to become joint procurements.

Any purchases noted in Table 1 are automatically considered for future opportunities for Table 2. In addition, future opportunities will continue to grow as more analysis on common spending is done through the CPG.

Table 1 – Joint and Piggy-Backed Purchases Done to Date

Description of Product/Service	Organizations Participating with the City
Antifreeze	TPS
Automotive Chassis Springs & Suspension Parts	TPS
Automotive Rust Control	TPS
Bagged Salt	Education Municipal Purchasing Group
Banking	Zoo
Benefit Consulting	TTC
Cisco Network Equipment	TTC, TPL
Collections	TPS
Data Network Services	TPL
Desktop Equipment	TPL
Doors and Maintenance	EP
Employee and Pensioner Health Benefits	TTC, TPS
Executive Search Services	TTC
Fertilizers	Education Municipal Purchasing Group
Fire Extinguisher Maintenance	TPS
Fine Paper	TTC, EP, TPL, Zoo, TPS
Fuel	TTC, TPS, Zoo, EP, TPL, TDSB, York University, Humber College
Fuel Site Maintenance & Repair	TPS
Garbage Bags	University of Toronto, York University, Ryerson University
Garment Cleaning and Rental	TPS, EP
Graffiti Removal Services	TCHC
Hydro & Natural Gas	TPL
IT Resources Roster	TTC, TCHC
Janitorial Supplies	TPL
Maintenance of Signal Equipment	TTC
Metals	TTC, EP, TPS

Description of Product/Service	Organizations Participating with the City
Moving Services	TTC, TPL
New Signal Installation	TTC
Over the Phone Language Interpretation	TPS, TCHC, TTC
Pest Control	TTC
Pick up and Recycling of Lamps	EP
Picnic Tables	TPS
Plumbing Supplies	TTC, EP, TCHC
Purchasing Card	TTC, TPL
Rental of Mops	EP
Rock Salt	TTC, EP, Zoo, TCHC, University of Toronto, McMaster University, York University
Safety Shoes	TPS
Servers & Warranty	TPL
Stationary	TTC, EP, TCHC, TPL
Supply & Install of Transit Shelters	TTC
Symantec Veritas Licenses & Support	TPL
Training Courses	EP
Various Lumber	TTC, EP
Vehicle Maintenance	TPS
Waste Oil Removal	TPS
Welding Gases	TPS, EP
Wireless Telecommunications Services/Equipment	TTC, TPL, TCHC, EP

Table 2 – Future Opportunities Not Identified in Table 1

Description of Product/Service
ARC Resistant Clothing (Orange)
Auto Parts
Chain Link Fencing
Electrical Components
Electrical Supplies
Freon R22
Hand Cutting Tools
Honda Parts
Industrial Supplies
Misc. Hardware and Bldg Products
Office Equipment Repairs
Office Furniture Repairs
Orthotics
Paper products - wipes, towels, toilet
Parts Cleaning Stations - Service

Description of Product/Service
Safety Prescription Eyewear
Safety Products/Equipments
SAP Licenses
Shredder Service
Snow Plowing
Time & Attendance Mgt System
Towels
Towing Services
Work Clothing

Staff Report

Action Required

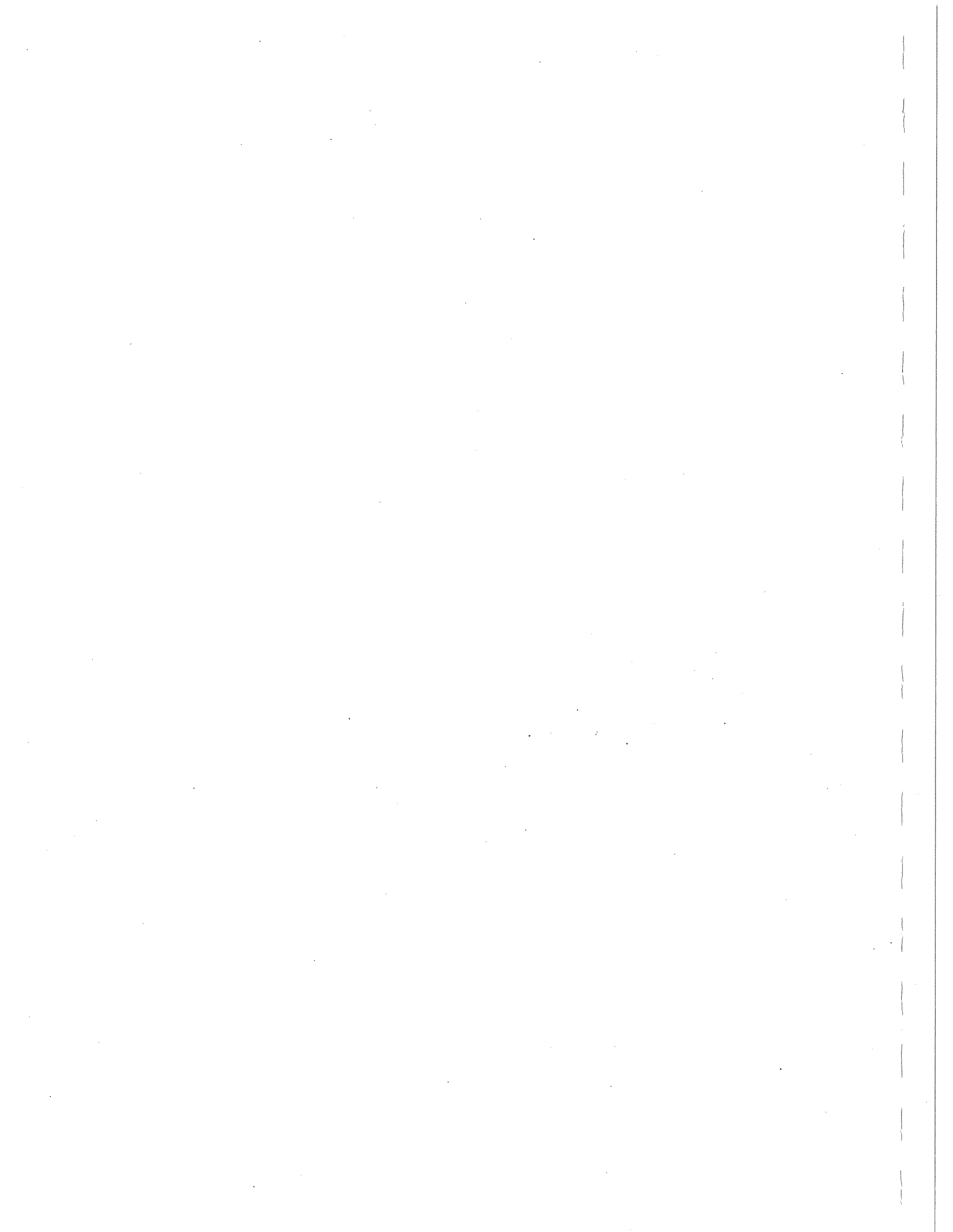
Update on the shared Services Project

City Agencies

City of Toronto Executive Committee

Dated

September 3, 2015





STAFF REPORT ACTION REQUIRED

Update on the Shared Services Project

Date:	September 3, 2015
To:	Executive Committee
From:	Deputy City Manager & Chief Financial Officer
Wards:	All
Reference Number:	P:\2015\Internal Services\CFO\ec15002cfo (AFS #21364)

SUMMARY

This report provides an update on the Shared Services Project, including a multi-year implementation plan and a summary of benefits achieved. The Shared Services Project aims to reduce duplication between the City and the Agencies and Corporations.

The Shared Services Project was started in 2014 based on direction from City Council to implement the shared services recommendations from the KPMG Shared Service Study, which were broken down into recommendations that were to be implemented in the short-term and recommendations that were to be implemented in the long-term after further due diligence and analysis.

In 2014, an Executive Steering Committee and 15 working groups were formed – each working group was given responsibility for a specific functional area (for example, learning, health & safety, procurement, information technology.) The working groups responsible for functional areas where KPMG made a recommendation to implement in the short-term were tasked with validating the KPMG recommendation and implementing the recommendation where shown to add value. The working groups responsible for the longer-term opportunities were tasked with performing a detailed analysis of the area, determining where shared services implementations would add value, creating a business case and implementation plan, and implementing a shared services model after seeking approval from Council and the affected Agency Boards.

Although KPMG estimated potential benefits of between \$58.8 and \$65.3 million, virtually all the benefits were estimated to be realized once the long-term opportunities were implemented – KPMG did not estimate any significant savings in the short-term.

The Shared Service Project is progressing well. The Executive Steering Committee has taken an approach that is consistent with the approach recommended by KPMG, but goes farther and deeper than KPMG's recommendations for the majority of areas. In addition, the Executive Steering Committee has expanded the scope of the project to include five additional recommendations, two additional functions (facilities management and fleet services) and two additional organizations (Toronto Community Housing and Toronto Zoo.)

To ensure success for a project of this size and scope, it is important to take an iterative approach to implementation. For this reason, the Executive Steering Committee has decided to focus on information technology, procurement, real estate, learning, and insurance shared services assessments in 2015. All other areas are focussed on increasing collaboration in 2015 and examining shared services implementations in the future.

Some shared services implementations may involve complex labour relations issues. If these issues do arise, they may vary between organizations and will require careful investigation and due diligence as options are examined. All implementations will comply with collective agreement obligations.

Although the project is still in early stages, there have been some major benefits achieved related to fleet services, procurement, information technology, labour relations, learning and health & safety, and city stores. In addition, the City and the Agencies have matured through their increased collaboration.

The Executive Steering Committee expects to have 89% (8 of 9) of the short-term recommendations implemented by mid-2016. The remaining short-term opportunity relates to the automation of City Stores purchase to pay processes, which are being considered in the City's Supply Chain Management project. The recommendations listed below will be complete by mid-2016, pending final review and approval from the Shared Services Executive Steering Committee.

1. Share generic training and learning functions
2. Coordinate and standardize common Health & Safety functions
3. Enhance the use of the City's Internal Audit Division by Agencies
4. Establish a Quality Assurance Centre of Excellence
5. Provide the City's online submission application for FOI requests Agencies
6. Expand the City's provision of lessor services to Toronto Transit Commission and Toronto Parking Authority (incorporated into the City-wide Real Estate Review)
7. Insure the City's vehicles under the Toronto Transit Commission Insurance Company Limited
8. Insure the Toronto Parking Authority under the City's insurance

In addition, the Executive Steering Committee expects to have 38% (3 of 8) of the long-term recommendations implemented by mid-2016. The other five long-term opportunities will require detailed analyses and implementations plans to be approved by the Shared Services Executive Steering Committee before a firm completion date can be determined. The

recommendations listed below will be complete by mid-2016 and the remaining recommendations are expected to be complete by 2020.

1. Develop a high-level labour relations and collective bargaining strategy that is aligned across organizations
2. Establish a change management centre of excellence
3. Include the Agencies in a plan to transition to managing digital records

The City is at the forefront of public sector shared services implementations – other governments of the City's size that have undertaken shared services have not included Agencies due to the complications of implementing a transformational initiative across governance structures. For this reason, the Executive Steering Committee has been clear that any recommended implementations must respect each Board's governance and authority and make business sense for each affected Board.

Prior to the Shared Services Project, the City was already using a shared services model to deliver services to its divisions and was already extensively collaborating with the Agencies as outlined in the table below and in Appendix 3. For this reason, expected benefits may not be as significant as other jurisdictions that have undertaken shared services.

Function	City	TTC	TPH	TPS	TPL	TPA	EP	Zoo	TCHC
Facilities Management	●		●	●				I	
Financial Planning	●	●	●	●	●	●	●	●	●
Fleet Services	●	I	●	I	●		I	I	●
Human Resources / Labour Relations	●		●		I	I	●	●	
Information Management	●	I	●	I		I	I	I	I
Information Technology	●	I	●	I	I	I	I	I	I
Insurance & Risk Management	●		●	●	●		●	●	●
Internal Audit	●		●	I			I		I
Legal	●	●	●	●	●	●	●	●	●
Parking Services	●	●	n/a	n/a	I	●			●
Purchasing	●	I	●	I	I	I	●	I	I
Real Estate	●	I	●	●	●	I	●	●	I

●	High level of collaboration between organizations
I	Moderate level of collaboration between organizations
	Limited to no collaboration between organizations
n/a	Not applicable

Although there are many challenges related to implementing a shared services model across the City and the Agencies & Corporations, the Executive Steering Committee feels the potential benefits outweigh the potential risks if implemented properly. For this reason, the

Shared Services Executive Steering Committee is relying on thorough analysis and solid business cases to move forward with any recommended implementations.

RECOMMENDATIONS

The Deputy City Manager & Chief Financial Officer recommends that:

1. City Council authorize the Deputy City Manager & Chief Financial Officer to implement shared services items related to the following functions where shown to add value:
 - a. Common Learning – move to a consolidated model where the small Agencies use the City's common learning and training, as outlined in Appendix 1;
 - b. Insurance – move of the City's vehicle insurance from an external provider to the Toronto Transit Commission Insurance Company, if approved by the Government of Ontario, as outlined in Appendix 1;
 - c. Procurement – evaluate and report back on a strategic sourcing model, as outlined in Appendix 1; and
 - d. Information & Technology – move to an Enterprise Partnership model for infrastructure services, subject to approval of final business case, as outlined in Appendix 1.
2. City Council direct the Deputy City Manager & Chief Financial Officer to report annually to City Council on the status of the Shared Services Project and benefits achieved; and
3. City Council forward this report to the Agency & Corporation Boards listed below for their consideration:
 - Exhibition Place Board of Governors,
 - Toronto Board of Health,
 - Toronto Community Housing Corporation Board of Directors,
 - Toronto Parking Authority Board of Directors,
 - Toronto Police Services Board,
 - Toronto Public Library Board (considered on September 21, 2015),
 - Toronto Transit Commission Board (considered on September 28, 2015), and
 - Toronto Zoo Board of Management (considered on September 10, 2015).

Financial Impact

By implementing Shared Services, KPMG estimated that the City and the Agencies would realize potential benefits of between \$58.8 and \$65.3 million with up-front investments of between \$3.5 and \$10.5 million. Of this \$58.8 to \$65.3 million, KPMG estimated:

- \$47 million from pursuing a joint labour relations and collective bargaining strategy; and
- \$10 million from sharing common procurement and implementing strategic sourcing.

The Deputy City Manager & Chief Financial Officer agrees there are potential cost savings in these areas, but is of the opinion that cost savings will likely be lower than the KPMG estimates. Actual savings will be highly dependent on the viability of the opportunities as determined by more detailed review, due diligence, and implementation planning. Financial

impacts of shared service models will be reported to Council and Agencies' Boards through future years' budget processes as required.

In addition, the Shared Services Executive Steering Committee believes that, although the Shared Services Study was effective in identifying areas of opportunity for shared services, it did not go to sufficient detail to provide accurate cost savings estimates. For example, the cost savings related to labour relations were arrived at by taking 1% of the total payroll costs for the City.

The table below summarizes expected savings and efficiencies through cost avoidance related to the Shared Services project. The efficiencies listed below are related to areas that were added to the Shared Services Project by the Shared Services Executive Steering Committee and were not in scope for the Shared Services Study. It is difficult to attribute these amounts solely to Shared Services since there are many variables related to efficiencies such as market changes and changes in competition levels.

Area	Expected Efficiencies (\$,000)
Fleet Services	
Fuel hedging	18,500
Fuel purchases	9,000
TTC Implementation of SAP	
One-time Licencing Fees	5,000
Software Maintenance and Subscription fees	2,500
Total	35,000

As is the case with any large, transformational project, there is a great deal of work required to complete the project. The Agencies and the City may find it hard to resource the work required to analyze and implement shared services opportunities without additional resources. Any additional resources required will be requested through the regular budget process.

DECISION HISTORY

At its meeting on June 11, 12, and 13, 2013, in consideration of EX32.3 (*Results of the Shared Services Study - City Agencies*), Council directed staff to begin implementation of various short term shared services opportunities and to report back on a multi-year implementation plan for longer term shared services opportunities after consideration by the impacted Agency Boards.

EX32.3 (*Results of the Shared Services Study – City Agencies*) was considered by the Toronto Police Services Board on June 20, 2013 and by the Toronto Public Library Board on September 23, 2013. During its meeting, the Toronto Public Library Board endorsed the following principles for the Library's participation in shared services discussions:

- that Board governance and authority be recognized,
- that implementation of shared services programs be cost neutral to the Board and provide a return on investment,

- that Toronto Public Library have on-going participation of the planning and implementation of applicable shared services programs and there be on-going reporting back to the Board, and
- that Toronto Public Library maintain control over the collective bargaining function while continuing to work collaboratively with the City.

At its meeting on January 29, 2014, in consideration of EX37.1 (*2014 Capital and Operating Budgets*), City Council requested the Deputy City Manager & Chief Financial Officer to report back to City Council in July 2014 with options to accelerate the implementation of shared service opportunities in the KPMG Shared Services Efficiency Study to achieve potential cost savings ranging from \$10 million to \$15 million in 2014.

EX43.21 (*Update on the Shared Services Project*) was approved by Executive Committee on July 02, 2014 without amendment and was considered by the Toronto Police Services Board on June 19, 2014, Toronto Public Library Board and Toronto Parking Authority Board on June 23, 2014, Toronto Transit Commission Board on June 24, 2014, and the Exhibition Place Board of Governors on September 10, 2014. Despite accelerating the implementation of the shared services opportunities, the project team was not able to achieve potential cost savings ranging from \$10 million to \$15 million in 2014.

ISSUE BACKGROUND

In 2012, the City Manager identified eight corporate support services to review as a part of a Shared Service Study and retained KPMG to undertake the assignment. The corporate support services included were: information technology, internal audit, insurance & risk management, legal services, human resources/labour relations, procurement & materials management, real estate, and records management.

KPMG's study focused on the City's six largest Agencies with a view to expanding any resulting opportunities to additional City Agencies, where appropriate. The Agencies included were: Exhibition Place, the Toronto Parking Authority, the Toronto Police Service, Toronto Public Health, Toronto Public Library, and the Toronto Transit Commission.

The KPMG report identified many existing shared services and areas of collaboration between the City and the Agencies that were in place prior to their engagement. For example, the City has been working with the Agencies in the areas of accounts payable, corporate finance, financial planning, facilities management, real estate, fleet services, human resources, information technology, information management, internal audit, insurance & risk management, legal services, parking services, procurement, and other areas prior to the KPMG report. However, this existing collaboration was not standardized across organizations. For a list of existing collaboration, see Appendix 3.

City Council approved the implementation of eighteen opportunities and no further action on two opportunities. Eleven opportunities were recommended to be implemented in the shorter term and reported out as required through the City's 2014/2015 budget process or to a standing committee or specific Agency Board.

The remaining seven opportunities were broad transformational directions to the City and its Agencies that require significant business process re-engineering, organizational change, and information technology investment to successfully implement. The City Manager referred these opportunities to the Deputy City Manager & Chief Financial Officer, in consultation with City Agencies, for further due diligence, planning, and the development of a five-year shared service implementation plan.

Shared services are often described by organizations that have implemented these delivery models as a journey that takes time, leadership, careful planning, strategic investments, and good governance. Implementing shared services often involves a multi-year and multi-phase transformation to effect technology investments and business re-engineering across multiple organizations.

COMMENTS

1. Background on Shared Services

Shared services is the redesign of corporate services with the goal to reduce duplication within and across business units and optimize processes. Shared services solutions are tailored to the functions and organizations involved.

Although many successful shared services implementations involve consolidation of some areas, consolidation is not a requirement for shared services to be successful. For example, many organizations choose to consolidate and optimize procurement and information technology functions, while leaving human resources functions decentralized. Regardless of whether functions are consolidated, process review and redesign will occur to ensure all organizations using a function have aligned policy, standardized processes, and developed common metrics.

Since the 1980s private and public sector organizations have been implementing shared services in various forms. Many governments across North America, Europe, and Australia have implemented shared services with varying degrees of success. In Canada, the Federal Government and most provincial governments have implemented shared services to some degree.

The City already uses a shared services model to deliver corporate services to City divisions through Cluster C divisions. The City Agencies, however, continue to manage and deliver some of their own corporate services, sharing services with the City in a way that is neither formalized nor standardized for the same areas. The Shared Services Project aims to improve this by expanding the shared services model to the City Agencies. The goal of the Shared Services Project is for the City and the Agencies to work collaboratively to identify and implement shared services opportunities that will achieve cost savings and service improvements.

2. Project Structure

In 2014, an Executive Steering Committee and 15 working groups were formed. The Executive Steering Committee provides oversight and direction for the overall Shared Services Project, while each working group has been given responsibility for specific recommendations. All teams have representation from all organizations and meet regularly. The working groups are listed below.

- | | |
|--|---|
| 1. Change Management Working Group | 8. Internal Audit Working Group |
| 2. Cooperative Purchasing Group | 9. Labour Relations Steering Committee |
| 3. Facilities Management Working Group | 10. Learning Working Group |
| 4. Fleet Management Steering Committee | 11. Payroll Working Group |
| 5. Health & Safety Working Group | 12. Quality Assurance Working Group |
| 6. Information Management Working Group | 13. Real Estate Working Group |
| 7. Information Technology Steering Committee | 14. Toronto Parking Authority / City Insurance Working Group |
| | 15. Toronto Transit Commission / City Insurance Working Group |

3. KPMG Estimated Benefits

The benefits estimated by KPMG are outlined in the table below, broken down by function and time frame required to implement. KPMG did not estimate any major savings in the short-term – all major savings were estimated in the long-term. This is consistent with the project teams' analyses.

Function / KPMG Recommendation	KPMG Estimated Benefits * (\$,000)
Implement and Report as Required (Opportunities to Implement in the Short-Term)	
Human Resources	
Share generic training and learning functions	100
Coordinate and standardize common Health & Safety functions	-
Internal Audit	
Enhance the use of the City's Internal Audit Division by Agencies	-
Establish a Quality Assurance Centre of Excellence	-
Procurement	
Continue to rationalize the City stores	1,000
Increase direct delivery of City stores items	-
Automate P2P processes related to City stores	-
Information Management	
Provide the City's online submission application for FOI requests	100

Function / KPMG Recommendation	KPMG Estimated Benefits * (\$,000)
to Agencies	
Real Estate	
Expand the City's provision of lessor services to Toronto Transit Commission and Toronto Parking Authority	181
Insurance	
Insure the Toronto Transit Commission under the City's insurance	100
Insure the Toronto Parking Authority under the City's insurance	100
Total Estimated Benefits for Short-Term Opportunities	1,581
Implement Pending Further Due Diligence and Planning (Opportunities to Implement in the Long-Term)	
Human Resources	
Develop a labour relations and collective bargaining strategy	46,625
Standardize human resource information systems and share payroll administration	2,000
Establish a change management centre of excellence	(125)
Procurement	
Share procurement of common goods and services and implement strategic sourcing	10,000
Information Technology	
Share common information technology infrastructure	2,200
Rationalize information technology applications	1,000
Real Estate	
Coordinate real estate contract and vendor management	1,000
Information Management	
Include the Agencies in a plan to transition to managing digital records	1,000
Total Estimated Benefits for Long-Term Opportunities	63,700
Total Estimated Benefits	65,281

** The KPMG report classified each opportunity with a high, medium, or low potential benefit. Where the working group analysis has shown potential benefits and agreement with KPMG's recommendation, the high end of the range is shown, where the working group analysis has disagreed with KPMG's findings or shows low potential benefits, the low end of the range is shown. Where analysis has not been completed, the high end of the range is shown. All estimates are shown net of estimated investments.*

4. Project Approach

The project has been progressing in a path that is consistent with KPMG's recommendations, although in many cases the Executive Steering Committee has taken a broader approach to the functions than the KPMG recommendations. For example, where KPMG had two very specific Real Estate-related recommendations, the City has taken a more global focus on the real estate function and is not limiting the analysis to the specifics of the KPMG report.

Throughout the project, the Shared Services Executive Steering Committee has been ensuring that work is being done in the most efficient and effective way possible. The scope was expanded to add the additional functions and organizations, the working groups have been diving deeper than the KPMG recommendations, and the project teams have been active in finding and implementing maximum opportunities to collaborate.

The table below shows the KPMG recommendations and the related project approach. When the project approach is listed as Exceeding Recommendation, it is intended to mean that the Executive Steering Committee has adopted an approach that addresses a broader scope than the KPMG recommendation and an explanation of how it exceeds the recommendation is provided in the comments section. An approach that goes further than the KPMG recommendation may not translate into additional financial benefits. For more information, see Appendix 1.

Recommendation	Project Approach	Comments
Implement and Report as Required (Opportunities to Implement in the Short-Term)		
Human Resources		
Share generic training and learning functions	Exceeds Recommendation	Added TCHC & Zoo to Scope
Coordinate and standardize common Health and Safety functions	Exceeds Recommendation	Added TCHC & Zoo to Scope
Internal Audit		
Enhance the use of the City's Internal Audit Division by Agencies	Consistent with Recommendation	
Establish a Quality Assurance Centre of Excellence	Consistent with Recommendation	Plan to expand in future
Procurement		
Continue to rationalize the City stores and automate P2P processes	Consistent with Recommendation	
Information Management		
Provide the City's online submission application for FOI requests Agencies	Consistent with Recommendation	
Real Estate		

Recommendation	Project Approach	Comments
Expand the City's provision of lessor services to TTC and TPA	Exceeds Recommendation	Added all functions and Agencies & Corporations to Scope
Insurance		
Insure the Toronto Parking Authority under the City's insurance	Consistent with Recommendation	
Insure the Toronto Transit Commission under the City's insurance	Exceeds Recommendation	Added other coverage areas
Implement Pending Further Due Diligence and Planning (Opportunities to Implement in the Long-Term)		
Human Resources		
Develop a labour relations and collective bargaining strategy	Exceeds Recommendation	Added TCHC & Zoo to Scope
Standardize human resource information systems and share payroll	Exceeds Recommendation	Added TCHC & Zoo to Scope
Establish a change management centre of excellence	Exceeds Recommendation	Added TCHC & Zoo to Scope
Procurement		
Share procurement of common goods and services and implement strategic sourcing	Exceeds Recommendation	Added TCHC & Zoo to Scope
Information Technology		
Share common information technology infrastructure	Exceeds Recommendation	Examined all IT infrastructure services and TCHC & Zoo
Rationalize information technology applications	Exceeds Recommendation	Added TCHC & Zoo to Scope
Real Estate		
Coordinate real estate contract and vendor management	Exceeds Recommendation	Added all Functions and Agencies & Corporations to Scope
Information Management		
Include the Agencies in a plan to transition to managing digital records	Exceeds Recommendation	Added TCHC & Zoo to Scope
Additional Opportunities (Opportunities added by the Executive Steering Committee)		
Facilities Management		
Incorporate the Agencies in the Facilities	Exceeds	Not in.

Recommendation	Project Approach	Comments
Transformation Project	Recommendation	KPMG's scope
Fleet Management		
Create a Fleet Management Centre of Excellence	Exceeds Recommendation	Not in KPMG's scope
Information Technology		
Establish an IT Contract Management Centre of Excellence	Exceeds Recommendation	Not in KPMG's scope
Internal Audit		
Create an Internal Audit Centre of Excellence	Exceeds Recommendation	Not in KPMG's scope
Real Estate		
Create a Real Estate Centre of Excellence	Exceeds Recommendation	Not in KPMG's scope

5. Project Update

Although the Executive Steering Committee has adopted a more fulsome and global approach to the project than KPMG, the project is progressing according to the sequencing suggested by KPMG. The project teams expect the short-term opportunities to be 89% implemented by mid-2016 and the long-term opportunities to be 38% implemented by mid-2016. We expect all recommendations to be addressed by 2020.

In all cases, the working groups are examining all areas of a function for shared services opportunities instead of focusing on the KPMG recommendation, which were at times very specific. In addition, the scope has been expanded to include

- five additional recommendations,
- two additional functions (facilities management and fleet services) and
- two additional organizations (Toronto Community Housing and Toronto Zoo.)

Based on the analyses performed by the working groups, the Executive Steering Committee has decided to focus on Information Technology, Purchasing, Real Estate, Insurance, and Learning shared services assessments in 2015 and 2016.

All other working groups will be focussing on increasing collaboration, standardizing process, aligning policy, and creating common metrics in 2015. Although these tasks have value in themselves, they allow the groups to more easily transition to a shared services model if the analysis shows value in the future.

A detailed update for each recommendation is provided in Appendix 1.

6. Benefits Achieved

Increased Collaboration across Organizations

In their report, KPMG included a section on the importance of increasing collaboration across all organizations under the City umbrella. They outlined the benefits, mechanisms, and guiding principles of increasing collaboration and stressed the need to increase collaboration between the City and the Agencies and amongst the Agencies. This section of the report has been of great importance to the Executive Steering Committee, whose members have always been very vocal about the need to work together more.

In 2014, the Executive Steering Committee created a project structure that encourages increased collaboration and sharing of knowledge. The working groups are meeting on a regular basis and there are formal and informal networks being set-up across the organizations, which has led to a shift in attitude in all organizations – there is an increased awareness of initiatives in other organizations, an increased desire to work together across organizations, and working group members regularly rely on each other as a resource.

Although it is hard to capture and quantify the benefits of this change in attitude, it is clear that this change in culture will lead to many long-term benefits for both the Agencies and the City, in both service improvements and cost efficiencies.

Selected Highlights

This section highlights some benefits achieved through the project – Appendix 4 provides more information on benefits achieved since the project started.

1. **Fuel Hedging** – The TTC and the City executed and implemented successful fuel hedging contracts which led to approximately \$18.6 million in efficiencies.
2. **Fuel Purchases** – As a result of enhanced collaboration between the City and TTC and a successful pilot program, the TTC determined that it would be acceptable to use a less expensive grade of diesel fuel – this change in fuel is expected to result in a savings of \$4.0 million. In addition to this savings, this change has allowed all organizations to purchase the same type of diesel fuel, which the City expects will lead to an efficiency of approximately \$5.0 million (\$0.05/litre). The procurement is currently being conducted and will be completed before the end of 2015.
3. **SAP** – The TTC has decided to implement SAP and is working with the City to ensure they have a joint strategy for moving forward. As part of the strategy
 - the TTC and the City are developing a 10-year roadmap,
 - the City has dedicated a project team to participate in the TTC implementation and use their experience to upgrade the City's SAP platform. This will enable the City to develop a shared services model to centralize the systems management of SAP and provide implementation, support and sustainment services at a much lower cost; and

- the TTC has benefited from the City's contract with SAP by using the City's discount, allowing them to avoid an estimated \$4.9 million in one-time fees and an estimated \$2.6 million in annual subscription and software maintenance fees.
4. **Labour Relations** –The Toronto Police Services Board engaged the City's Employee and Labour Relations group to perform bargaining on their behalf during the recently-negotiated uniform and civilian agreements.
 5. **Procurement** – The Cooperative Purchasing Group has increased joint contracts from 15 in 2010 to 265 as of July 2015, representing 76 commodity groups, and resulting in efficiencies for all organizations. The City's portion of the 265 contracts is 102 contracts valued at over \$400 million. In addition, the City estimates that the prices they received through a joint calls are approximately 5% lower than the price they would have gotten if they had not included the Agencies and Corporations in the calls. Since the City is the largest consumer for most of the joint purchases, this percentage is expected to be higher for the Agencies and Corporations participating on the joint calls. For a listing of the cooperative purchases between the City and the Agencies, see Appendix 2.
 6. **City Stores Rationalization** - In 2014, two City Corporate Stores were closed and consolidated into a single location. This resulted in two properties becoming available for other uses.
 - 60 Brant Street: 60 Brant Street will house Eva's Phoenix, a non-for profit shelter that works with youth, and will be incorporated into a mixed-use development that is currently being marketed by Build Toronto. The sale and development of the adjacent mixed-use development will generate revenue for the City from property taxes, development charges, and fees.
 - 320 Bering Avenue: Business cases for the occupancy of 320 Bering Avenue by other City Divisions are currently being examined. If viable, the occupancy will meet the Council recommendation that Bering Yard be retained for City purposes and it's use intensified by adding additional City services.
 7. **Fleet Services** – The City's wireless fuel integration program includes fully secure and automated fuel management and additional vehicle operating data capture which improves fleet management capability. The TTC began a pilot to participate in this program in 2015. In addition, the City has been accessing Toronto Police Service fuel sites to refuel Toronto Paramedic Services vehicles.
 8. **Learning and Health & Safety** – Collaboration in areas such as developing and sharing of training materials has resulted in improved access to materials and consistency in programming. Continued on a larger scale will provide opportunities for future benefits.

For a more comprehensive list of benefits achieved, please refer Appendix 4.

7. Roadmap for Moving Forward

Based on the Shared Services Executive Steering Committee's direction, assessment and implementation has been accelerated for all areas. The table below provides a high-level overview of the project plan for assessment and/or implementation as determined by a business case.

Recommendation	Target Timeline					
	2014	2015	2016	2017	2018	2019
Implement and Report as Required (Opportunities to Implement in the Short-Term)						
Human Resources						
Share generic training and learning functions			●			
Coordinate and standardize common Health and Safety functions		●				
Internal Audit						
Enhance the use of the City's Internal Audit Division by Agencies	●					
Establish a Quality Assurance Centre of Excellence			●			
Procurement						
Continue to rationalize the City stores and automate P2P processes	Ongoing					
Information Management						
Provide the City's online submission application for FOI requests to the Agencies		●				
Real Estate						
Expand the City's provision of lessor services to TTC and TPA	Deferred					
Insurance						
Insure the Toronto Parking Authority under the City's insurance			●			
Insure the Toronto Transit Commission under the City's insurance			●			
Implement Pending Further Due Diligence and Planning (Opportunities to Implement in the Long-Term)						
Human Resources						
Develop a labour relations and collective bargaining strategy		●				
Standardize human resource information systems and share payroll	To be determined					
Establish a change management centre of excellence		●				
Procurement						
Share procurement of common goods and services and	To be determined					

Recommendation	Target Timeline					
	2014	2015	2016	2017	2018	2019
implement strategic sourcing						
Information Technology						
Share common information technology infrastructure						●
Rationalize information technology applications	To be determined					
Real Estate						
Coordinate real estate contract and vendor management	Deferred					
Information Management						
Include the Agencies in a plan to transition to managing digital records		●				
Additional Opportunities (Opportunities added by the Executive Steering Committee)						
Facilities Management						
Incorporate the Agencies in the Facilities Transformation Project			●			
Fleet Management						
Create a Fleet Management Centre of Excellence	●					
Information Technology						
Establish an IT Contract Management Centre of Excellence	To be determined					
Internal Audit						
Create an Internal Audit Centre of Excellence	●					
Real Estate						
Perform City-Wide Real Estate Framework Assessment			●			

For a more detailed project plan, see Appendix 5. For a detailed description of the status & roadmap for each recommendation, see Appendix 1.

9. Expected Benefits

As stated in Section 2, KPMG did not predict savings in the short-term and predicted that the majority of the benefits in the short-term are non-monetary. This is consistent with the analysis the working groups have performed.

As mentioned in previous reports, Shared Services is a transformational project that focusses on optimizing and modernizing corporate services and reducing duplication. The immediate benefit of a shared services implementation is increased collaboration, followed by improved service delivery, resulting in cost avoidance in the long term. This is consistent with other jurisdictions. For example, Ontario Shared Services did not start to realize any significant benefits until the seventh year after implementation. For this reason, various consultants and public-sector organizations that have undertaken shared services have advised against focussing solely on savings.

Some shared services implementations may involve complex labour relations issues. If these issues do arise, they may vary between organizations and will require careful investigation and due diligence as options are examined. All implementations will comply with collective agreement obligations.

Labour Relations

KPMG has estimated that pursuing this opportunity may yield cost savings 1% of the City's salary & benefits budget (approximately \$47.0 million.) The Deputy City Manager & CFO, Executive Director of Human Resources, and Shared Services Labour Relations Steering Committee agree that there are potential savings, particularly the avoidance of higher and rising future costs, but are of the opinion that savings will be lower than the KPMG estimates given the complexity of the collective bargaining process. Any benefits associated with this initiative will be difficult to attribute solely to Shared Services.

In addition, the governance structure of the Boards combined with the staggered multi-year collective agreement expiry dates of the numerous collective agreements put limitations on the ability of the City and the Agencies to have a one-size-fits-all coordinated labour relations and collective bargaining strategy, specifically for those agreements that are subject to binding arbitration.

Comparing the City to other Jurisdictions

The City is at the forefront of public sector shared services implementations – other governments of the City's size that have undertaken shared services have not included Agencies due to the complications of implementing transformational initiatives across governance structures.

Since the City is already using a shared services model to deliver corporate services, the order of magnitude benefits expected from a shared services implementation across the City and Agencies is not comparable to other jurisdictions who have undertaken an internal shared services implementation. Since the City represents approximately 70% of the total of the City and the Agencies, the Shared Services Project Team estimates that

approximately 70% of benefits have likely been realized by implementing shared services at the City. For this reason, stakeholders should not expect the same level of benefits to be realized as in other jurisdictions that were completely decentralized prior to implementing shared services. However, no formal analysis has been performed to validate this estimation.

10. Conclusion

Although there are many challenges related to implementing a shared services model across the City and its Agencies, the Executive Steering Committee feels the potential benefits of Shared Services outweigh the potential risks, if implemented properly. However, the Executive Steering Committee is also aware that opportunities must be fully analysed to ensure benefits will be achieved before starting implementation. For this reason, the Shared Services Executive Steering Committee will continue to review opportunities and will make decisions on implementing initiatives based on thorough analysis and solid business cases.

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SIGNATURE

Roberto Rossini
Deputy City Manager & Chief Financial Officer

ATTACHMENTS

- Appendix 1:** Detailed Status of Recommendations
- Appendix 2:** Summary of Cooperative Purchases
- Appendix 3:** Summary of Existing Collaboration
- Appendix 4:** Summary of Benefits Achieved
- Appendix 5:** Project Plan

APPENDIX 1: Detailed Status of Recommendations

This appendix provides a detailed update on the status of each of the recommendations. Use the table of contents below to find locate each opportunity within the appendix.

Recommendation	Page
Implement and Report as Required (Opportunities to Implement in the Short-Term)	20
Human Resources	
Share generic training and learning functions	20
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Status of Opportunities Recommended to Implement and Report Further as Required

Share Generic Training and Learning Functions

Council Directive

City Council refers the following shared service opportunities to the City Manager to commence implementation in 2014 and to report further as required:

- a. Share generic training and learning functions

Update

The Learning Working Group was formed in 2014 and has been meeting regularly. The group has completed a current state assessment and has completed an analysis to identify opportunities and determine the roadmap for moving forward.

The group has decided that a shared services model between the City and the smaller Agencies is worth pursuing. A shared services model with the larger Agencies – TPS and TTC – at this point would not add value since their models for delivery of service are drastically different than the other organizations and training is core to their business and common learning cannot easily be separated from their task-specific learning activities.

The group has decided that there is value in increasing collaboration between the City, TPS, and TTC, specifically on eLearning, sharing content, and joint procurement.

Roadmap

Before the end of 2015, the working group will:

- Conduct a preliminary review of what would be required for Agencies to access the Cornerstone on Demand Learning Management System including estimated configuration costs, benefits, preparation, and sustainment costs;
- Develop a single point of contact system to give smaller Agencies access to Toronto classroom courses. Develop a manual registration system to accommodate Agency access to City courses and a fee structure to reflect cost recovery requirements; and
- Implement a formal process to share City owned content and training materials with the larger Agencies.

Coordinate and Standardize Common Health and Safety Functions

Council Directive

City Council refers the following shared service opportunities to the City Manager to commence implementation in 2014 and to report further as required:

- b. Coordinate and standardize common health and safety functions

Update

The Health & Safety Working Group was formed in 2014 and has been meeting regularly. The group has completed a current state assessment and has completed an analysis to identify opportunities and determine the roadmap for moving forward.

The Group concluded that there is value in increasing collaboration between all the Organizations. It was decided, however, that a shared services model would not add value since each organization takes a different approach to their model for delivery of service which would require the organizations to redesign the way they integrate health & safety into their core business. The cost to do this is expected to out-weigh any savings generated. However, the group has decided that there is value in increasing collaboration between all the organizations.

The group is working together on:

- Increased information sharing around advisory bulletins;
- Capitalizing on e-learning modules related to health and safety;
- Developing a common approach to comply with new training standards;
- Developing a common approach to responding to legislative changes;
- Identifying common procurement related to health and safety; and
- Identifying common equipment needs and services.

Roadmap

Before the end of 2015, the working group will:

- Develop common metrics
- Operationalize the community of practice
- Roll-out the Global Harmonization System
- Work together to procure H&S services

Enhance the Use of the City's Internal Audit Division by Agencies

Council Directive

City Council refers the following shared service opportunities to the City Manager to commence implementation in 2014 and to report further as required:

- c. Enhance the use of the City's Internal Audit Division for compliance, assurance and business risk consulting services by Agencies that do not have their own audit resources

Update

Completed in 2014. The Toronto Public Library, Exhibition Place, and Toronto Police Services Board have agreed to use the City's Internal Audit to perform various engagements.

Establish a Quality Assurance Centre of Excellence

Council Directive

City Council refers the following shared service opportunities to the City Manager to commence implementation in 2014 and to report further as required:

- d. Establish a Quality Assurance Centre of Excellence to leverage tools, templates and specialized skills, coordinate work plans and share best practices

Update

Completed in 2015. The Quality Assurance Centre of Excellence was formed and met for its first regular meeting in May 2015.

Roadmap for moving forward

The group will continue to meet regularly. Once the group has agreed upon a workplan that adds value for all participating organizations, the group will consider expanding membership to the additional Agencies and City divisions.

Continue to rationalize the City Stores

Council Directive

City Council refers the following shared service opportunities to the City Manager to commence implementation in 2014 and to report further as required:

- e. Continue to rationalize the City stores and increase direct delivery of consumable goods and automate P2P (purchase to pay) processes

Update

This recommendation from KPMG's Shared Services Study related only to the City of Toronto and was consistent with recommendations from the Auditor General related to continuing to rationalize City Stores, increase direct delivery of products where appropriate and increase the use of technology. Rationalization of City Stores is a continual process of determining whether existing Stores should be closed, consolidated or expanded and whether new Stores should be opened.

The rationalization of City Stores began in 2006 with six Divisions in scope and a total of 7 Corporate Stores and 18 Divisional warehouses, for a grand total of 25 stores/warehouses. At the beginning of 2014, there were 4 Corporate Stores (60 Brant St, 320 Bering Avenue, 1050 Ellesmere Avenue and City Hall) and 3 Corporate Warehouses (Finch, Rivalda and Dohme). In 2014, two Corporate Stores (Brant and Bering) were consolidated and relocated to 799 Islington Avenue. The renovation at 799 Islington (approximately a 32,000 sq foot warehouse) is scheduled to be completed by August 2015 allowing PMMD to further consolidate two Corporate warehouses (Rivalda and Dohme) into Islington leaving three Corporate Stores and one Corporate Warehouse. The consolidation of the two warehouses should result in efficiencies gained through stock consolidation, stock rotation and fewer warehouse transfers.

City Divisions also have Divisional Warehouses, where the inventory is overseen/managed by PMMD but manned by staff from the respective City Division. At the beginning of 2015 the following Divisions had PMMD managed warehouses:

- Parks, Forestry and Recreation – 1 warehouse;
- Toronto Water – 2 warehouses;
- EMS – 1 warehouse;
- Toronto Fire – 1 warehouse.

	2006	2014	2015 (Year End)
Divisional Warehouses	18	8	5
Corporate Warehouses	7	3	1
Corporate Stores	0	3	3
Total	25	14	9

Finally, PMMD has been working on an overall supply chain management technology solution. PMMD hired PWC to conduct a fit-gap analysis and to provide a technology implementation roadmap in order for PMMD to enhance its' use of technology, including items such as having an online ordering capability for City Stores.

Roadmap

PMMD will continue to work with Divisions to rationalize Divisional Warehouses and determine whether those warehouses can be further consolidated into 799 Islington Avenue. Discussions have already begun with Divisions. PMMD continues to create, validate and use direct delivery options with vendors, where appropriate, without incurring unnecessary inventories of overstocked goods throughout the City in various departments. PMMD is also working on a business case for the 2016 Budget process related to implementing new technology.

City provides Freedom of Information submission application to Agencies

Council Directive

City Council requests the City Clerk to provide as a best practice, the City's online submission application for Freedom of Information requests to interested Agencies when it becomes available.

The City purchased and implemented a module for the City's CLASS system, used extensively by Parks, Forestry, and Recreation for online registrations. This module was adapted for the FOI submission tool. A demonstration to the Agencies was provided in March 2015.

Roadmap

Each Agency will determine if the City's tool meets their needs. If it does, each Agency will work with the City to install the tool.

Expand the City's provision of lessor services to the TTC and the TPA

Council Directive

City Council requests the Chief Corporate Officer to work with the Chief Executive Officers of the Toronto Transit Commission and Toronto Parking Authority regarding the possibility of the City providing lessor services to their Agencies.

Update

The Real Estate Working Group was formed in 2014 and met regularly until February 2015 when it was decided that the best approach was to expand the scope of this project to all real estate functions and all Agencies and Corporations.

Council approved the City-Wide Real Estate Review report in April 2015. This project will analyse the options related to improving coordination of all real estate activities for all organizations.

Roadmap

The City, under the direction of the City Manager's Office, will hire an external consultant to review the existing real estate structures of all City divisions, Agencies, and Corporations with the aim to improve coordination between all real estate functions on a City-wide basis. By Q1 2016, a report will be delivered to Council with recommendations and an implementation plan to create a City-Wide Framework for the City and its Agencies and Corporations.

Insure the TTC and the TPA under the City's insurance

Council Directive

City Council requests the City Manager and Deputy City Manager & Chief Financial Officer, to work with the Chief Executive Officers of the Toronto Transit Commission and Toronto Parking Authority, to insure the Toronto Transit Commission and the Toronto Parking Authority under the City's insurance for non-specialized policies and exclusive of claims, where the City is able to provide similar coverage for a lower cost and report further as required.

Toronto Parking Authority

Update

Toronto Parking Authority and the City's Insurance & Risk Management Division has met multiple times to discuss this opportunity in 2014 and 2015. In April 2015, the groups met with their brokers to create a workplan to decide on an approach to complete an analysis by fall 2015.

Roadmap

Toronto Parking Authority, the City's Insurance & Risk Management Division, and their respective brokers will complete the analysis of this opportunity by fall 2015. If there is value in consolidating the insurance programs, an implementation plan will be completed by December 2015 and the programs will be consolidated in 2016.

Toronto Transit Commission

Update

Toronto Transit Commission and the City's Insurance & Risk Management Division met multiple times to discuss this opportunity in 2014 and 2015. In March 2015, the groups decided to examine the potential for the City to insure its vehicles through the TTC Insurance Company. Although this option would lead to a potential savings of approximately \$300,000 to the City, it would require a change to the TTC Insurance Company that must be approved by the Province. In May 2015, the City and the TTC met with the Province to discuss the possibility of insuring the City's vehicle and three other areas of risk with the TTC Insurance Company.

Roadmap

In 2015, the TTC and the City will apply to expand the scope of the TTC Insurance Company to include the City's auto vehicles and other risk categories. The results of this application will not be known until 2016.

Status of Opportunities Recommended to Implement Pending Further Due Diligence and Planning

City-wide labour relations strategy

Council Directive

City Council authorizes the City Manager and the Executive Director, Human Resources to lead the development of a labour relations and collective bargaining strategy for the City and its Agencies going forward, in consultation with City Agencies, and report the strategy to the City's Employee and Labour Relations Committee for approval in principle.

Update

In 2014, the Shared Services Labour Relations Steering Committee was formed. This committee includes representatives from the City and the Agencies in scope for the Shared Services Project and has been meeting regularly to discuss ways to enhance communications related to their various Labour Relations and Collective Bargaining Strategies.

The discussions with these organizations have been mindful of the differences in governance structures and the various expiry dates of the City's and Agencies collective agreements. The

following table sets out the expiry dates of the collective agreements and identifies who performs bargaining for each of the agreements.

Organizations / Union	Bargaining Year					Bargaining Performed by:
	2014	2015	2016	2017	2018	
City of Toronto						
TPFFA Local 3888	•					City
CUPE Local 79 (4 agreements)		•				City
TCEU (CUPE) Local 416		•				City
CUPE Local 2998		•				City
Toronto Public Library						
CUPE Local 4948		•				TPL
Toronto Community Housing Corporation						
CUPE Local 79		•				TCHC
Exhibition Place						
CUPE Local 2840		•				City
IBEW Local 353		•				City
CUPE Local 5116		•				City
IATSE Local 58		•				City
Painters & Allied Trades		•				City
Carpenters Local 27		•				City
Plumbers Local 46		•				City
LIUNA Labourers Local 506			•			City
Toronto Parking Authority						
TCEU Local 416				•		TPA
Toronto Zoo						
CUPE Local 1600				•		City
Toronto Transit Commission						
ATU Local 113					•	TTC
CUPE Local 2					•	TTC
IAMAW Lodge 235					•	TTC
CUPE Local 5089					•	TTC
Toronto Police Services Board						
Toronto Police Association (6 agreements)					•	City
Senior Officers' Organization (2 agreements)	•					External Counsel

The Toronto Police Services Board engaged the City's Employee and Labour Relations group to conduct bargaining on their behalf during the recently-negotiated uniform and civilian agreements (Uniform, Unit A, Unit B, Unit C, Unit D and Unit E).

Currently, the City has direct Shared Services Agreements for bargaining with Exhibition Place, the Toronto Police Services Board, and the Toronto Zoo. The Shared Services Labour Relations Steering Committee and Shared Services Executive Steering Committee are

examining the possibility of entering into similar agreements with other Agency and Corporation Boards.

KPMG has estimated that pursuing this opportunity may yield cost savings 1% of the City's salary/benefits budget or approximately \$47M. The Deputy City Manager & CFO, and Executive Director of Human Resources agrees that there are potential cost savings, particularly the avoidance of higher and rising future costs, but is of the opinion that cost savings will likely be lower than the KPMG estimates given the complexity of the collective bargaining process and the pragmatic realities of collective bargaining in the public sector – specifically for those agreements that are subject to binding arbitration.

Roadmap

The governance structure of the Boards combined with the staggered multi-year collective agreement expiry dates of the numerous collective agreements put limitations on the ability of the City and the Agencies to have a one-size-fits-all coordinated labour relations and collective bargaining strategy. However, the collaborative sharing of information combined with the direct service agreement arrangements create the beginnings of the development of a successful working framework.

The Shared Services Labour Relations Steering Committee will continue to meet regularly to share information and discuss collective bargaining strategies, best practices, and successful strategies and bargaining outcomes. This increased collaboration will lead to greater alignment between the organizations during collective agreement negotiations.

Standardize HR information systems and share payroll administration

Council Directive

City Council refers the following shared service opportunities to the City Manager for further due diligence and consultation with City Agencies and report back to Executive Committee with a multi-year shared service implementation plan and after consideration by Boards of affected City Agencies:

- a. Standardize human resource information systems and share payroll and benefits administration

Update

The City's Pension, Payroll, and Employee Benefits Division (PPEB) completed a Program Review of operations, including a complete review of its end-to-end business process, in 2013.

Based on the results of this review, PPEB embarked on three major IT infrastructure projects - the Employee and Management Self Service Portal (ESS/MSS); an Enterprise Time, Attendance and Scheduling Management program (TASS); and a major update to SAP as it relates to payroll (CATS).

The ESS/MSS project commenced in March 2014 and remains on track to complete phase one in 2015. The City issued an RFP for the CATS/TASS project and is in final negotiations with a consortium to assist with its implementation. It is anticipated the project will commence in June 2015 and is scheduled to be completed by the end of 2016 for the 2 pilot divisions.

It was recommended by both the consultant who conducted the Program Review and KMPG that prior to the City examining shared services opportunities in depth it needs to upgrade its IT infrastructure and modernize its end-to-end processes. As a result, the focus will continue over the next year to implement the 3 capital projects and review its business process and organizational structure to prepare the foundation for shared services.

The City and Agencies, however, do feel that mutual benefit can be gained by creating a community of practice immediately to share best practices and examine any potential shared services opportunities. The first of these meetings took place on April 16, 2014.

Roadmap

Shared Services will be considered once the City has completed their process of modernizing their payroll systems.

The City's Director, PPEB will continue to coordinate monthly meetings with the Agencies to update the Agencies on the status of the major capital projects, to share best practices, review all collective agreements and business requirements, and determine potential shared services opportunities, given the differences in each Agency's business.

Establish a Change Management Centre of Excellence

Council Directive

City Council refers the following shared service opportunities to the City Manager for further due diligence and consultation with City Agencies and report back to Executive Committee with a multi-year shared service implementation plan and after consideration by Boards of affected City Agencies:

- f. Establish a change management centre of excellence to support the implementation of shared services and other major City change initiatives.

Update

The City added one full-time permanent change management consultant position to the complement of the Shared Services Project Team in 2015. The Shared Services Project Team has started discussions with Human Resources, the City Manager's Office, and other areas in the City and Agencies to develop the scope of services and best reporting relationship for a Change Management Centre of Excellence.

Roadmap

The Change Management Consultant will develop a change strategy for the project and work with the Shared Services Project Team, Human Resources, and the City Manager's Office to

determine the plan for the Change Management Centre of Excellence. Resources will be added to the Shared Services Project Team as needed to manage change effectively. These positions will move over into the Change Management Centre of Excellence once the scope of services and reporting relationship have been confirmed and approved.

Share procurement of common goods and implement strategic sourcing

Council Directive

City Council refers the following shared service opportunities to the City Manager for further due diligence and consultation with City Agencies and report back to Executive Committee with a multi-year shared service implementation plan and after consideration by Boards of affected City Agencies:

- a. Share procurement of common goods and services and implement strategic sourcing

Update & Roadmap

Development of Strategic Sourcing in Procurement

Strategic Sourcing is the process of identifying cost saving/efficiency opportunities, evaluating potential suppliers, negotiating supplier contracts and continually managing supplier relationships to achieve corporate goals. Strategic Sourcing drives benefits across a number of areas within the organization, and is not simply a cost reduction effort; the true objective is to create value in many forms—quality, cost, risk, compliance with policy objectives like green procurement etc. Strategic Sourcing is not simply bundling or consolidating buying and is more than just the acquisition process.

Implementing strategic sourcing in procurement was the main recommendation from the KPMG Shared Services Study. The recommendation was for the City of Toronto to implement category management, a form of strategic sourcing, by re-organizing its Purchasing and Materials Management Section first. Once that was done, the next step would be to bring the Agencies into the strategic sourcing model.

In order to do this, the City's Purchasing and Materials Management Division ("PMMD") has embarked on a program review that will review its service delivery and organizational structure and set out an implementation plan that will move to a strategic sourcing model. PMMD, using internal resources, has finalized a current state assessment and has retained Ernst & Young who will recommend potential models for the City to move towards and to provide a fit-gap analysis and a roadmap and implementation plan for the preferred model. The consultant began work in July, 2015 and will provide its final report at the end of March, 2016. Depending on the implementation roadmap, some items may be implemented in 2016 through to 2017.

Cooperative Purchasing Group

As noted above, the main recommendation from KPMG's Shared Services Study was for the City to implement strategic sourcing. In the interim, while work is being done to assess how the City would implement strategic sourcing, the City of Toronto and the Agencies and

Corporations are working collaboratively to identify common procurement opportunities through the monthly Cooperative Purchasing Group (CPG meetings). A formal terms of reference was recently signed off by the members of the Executive Shared Service Steering Committee. The terms of reference guide how the CPG will operate. Appendix 2 provides a list of the purchases done jointly with one or more Agencies and/or where an Agency has piggy-backed off the City's contract.

The next steps the CPG is working on include continuing to identify joint procurement opportunities, implementing and tracking the cost saving and other metrics established by the CPG, reviewing the processes and legal terms to determine standardization amongst the Agencies where possible, and comparing procurement opportunities against the Provincial Vendor of Record (VOR) system.

Share common information technology infrastructure

Council Directive

City Council refers the following shared service opportunities to the City Manager for further due diligence and consultation with City Agencies and report back to Executive Committee with a multi-year shared service implementation plan and after consideration by Boards of affected City Agencies:

- a. Share common information technology infrastructure with a focus on infrastructure management, data management and storage

Update

The City's Information & Technology Division formed a project team in 2014 responsible for all three IT-related opportunities (IT Infrastructure, IT Application Rationalization, and IT Contracts). This project team completed an RFP process for an external consultant to provide the tools and experience needed to assist the project team in performing an assessment of the IT Infrastructure function and make a recommendation on a shared services model. In addition, an IT Steering Committee was formed that consisted of the Chief Information Officers (or their equivalents) for the City and the Agencies & Corporations.

Assessment

This assessment indicated that 40% to 65% of technology infrastructure and services areas were highly eligible for shared services, with the exception of Toronto Police Service. Only common infrastructure areas that are not core to an Agency's business were considered for this assessment.

The project team completed an assessment of the nine common technology infrastructure areas listed below.

1. Data Centre Services
2. Desktop Services
3. Enterprise Backup
4. Internet Services
5. IT Services Desk
6. Messaging and Telephony
7. Network Services
8. Platform Infrastructure
9. Storage Services

During the analysis, it was determined to focus on the City, Toronto Police Service, Toronto Transit Commission, and the Toronto Public Library since they represented approximately 94% of the common, non-core technology infrastructure services. The remaining organizations (Exhibition Place, Toronto Community Housing, Toronto Public Health, Toronto Parking Authority, Toronto Zoo) represented less than 6% of the common, non-core technology infrastructure services and the IT Steering Committee concluded that detailed analysis of these entities would have limited value. These organizations will be included in the implementation where shown to add value.

It is important to note that the City and Agencies are already collaborating in a number of technology infrastructure areas. Examples include sharing of the City's data centre infrastructure, leveraging the Toronto Police Service 911 telephone systems and services, and use of the City's Geographic Information Systems for digital maps and data. For more detail about existing collaboration, see Appendix 3 and Appendix 4.

Roadmap for IT Infrastructure & Services

Based on results of the assessment, it was recommended that a three-phase approach to shared services be adopted, which is summarized below. This approach has been recommended by the Shared Services IT Steering Committee, but has not yet been approved by the Shared Services Executive Steering Committee.

Phase 1: Setting the Foundation	
Timeframe:	2015 to 2016
Estimated Cost:	\$300,000
Activities:	<ul style="list-style-type: none"> - Hiring of a project team - Creation of governance - Preparation of project and communication plans - Creation of business case for moving to Enterprise Partnership
Comments:	The first phase is preparation for the implementation of IT Shared Services.
Decision: Are we ready for Enterprise Partnership?	
Comments:	The Shared Services Executive Steering Committee will confirm that the business case exists and the governance structure and organizational change management plans are in place to move to Enterprise Partnership.
Phase 2: Enterprise Partnership	
Timeframe:	2016 to 2019
Estimated Cost:	Between \$2.6 and \$5.5 million to implement Enterprise Partnership and set the foundation for implementing Managed Services.
Estimated Benefit:	Between \$2.0 and \$4.0 million annually, based on PwC industry data and the data gathered by the City and Agencies & Corporations.
Activities:	<ul style="list-style-type: none"> - Standardization of processes - Standardization of systems

	- Coordination of purchasing and contract management
Comments:	- Enterprise Partnership focusses on increasing collaboration between the organizations with an agreed-upon approval process. - Enterprise Partnership is expected to be implemented by 2019 and is expected to deliver approximately 50% of the benefits of a full consolidation with significantly lower risk.
Decision: Do we move to Managed Services?	
Comments:	The Executive Steering Committee will decide if a business case exists to move to Managed Services based on the estimated costs and potential benefits.
Phase 3: Managed Services	
Timeframe:	Starting in 2019
Estimated Cost:	To be determined during Enterprise Partnership
Estimated Benefit:	To be determined during Enterprise Partnership
Activities:	Consolidation of functions between the City and the Agencies & Corporations
Comments:	Based on the results of Enterprise Partnership, the decision will be made whether to move to a consolidation.

During the assessment, the IT Steering Committee recognized the importance of change management in any approach that was being considered. Managing change effectively is essential to ensure success, especially when considering the complex and long-established business models of the City and the Agencies & Corporations.

Rationalize information technology applications

Council Directive

City Council refers the following shared service opportunities to the City Manager for further due diligence and consultation with City Agencies and report back to Executive Committee with a multi-year shared service implementation plan and after consideration by Boards of affected City Agencies:

- a. Rationalize information technology applications

Update

The City's Information & Technology Division formed a project team in 2014 responsible for all three IT-related opportunities (IT Infrastructure, IT Application Rationalization, and IT Contracts). As recommended in the KPMG report, a separate team was seconded to work on the IT Application Rationalization Assessment, largely due to the dependencies that application rationalization has on the IT Infrastructure. This also aligns with industry best practice, whereby IT Application Rationalization implementation begins in the second stage of implementation. As such it was determined that it should follow any decision made on the IT Infrastructure recommendation. The City and Agencies are establishing a joint project

team tasked with gathering and assessing the application inventories in conjunction with business functions they support.

In addition, the City and TTC have been formally engaged in collaborating to establish the foundation for a common, shared SAP environment. Other Agencies will be engaged to assess opportunities to leverage in the Shared Services SAP ERP Strategy.

Roadmap

Work on the IT Application Rationalization has focused on the development of the framework needed to collect the inventory of applications in the City and Agencies and identify the business functions they support. Given the volume of applications and the business functions they support, a joint project team will be assembled with subject matter experts from the City and Agencies. This team will work together to:

1. Map the landscape of IT Applications.
2. Assess opportunities for shared application services by business capability.
3. Develop and implement an application inventory governance model.
4. Develop and maintain a shared inventory of applications.
5. Analyze opportunities to consolidate applications.
6. Identify a list of prioritized projects to rationalize IT Applications (Roadmap).

Coordinate real estate contract and vendor management

Council Directive

City Council refers the following shared service opportunities to the City Manager for further due diligence and consultation with City Agencies and report back to Executive Committee with a multi-year shared service implementation plan and after consideration by Boards of affected City Agencies:

- e. Coordinate real estate contract and vendor management through an information technology platform

Update

The Real Estate Working Group was formed in 2014 and met regularly until February 2015 when it was decided that the best approach was to expand the scope of this project to all real estate functions and all Agencies and Corporations.

Council approved the City-Wide Real Estate Framework report in April 2015. This project will analyse the options related to the better coordination of all real estate activities for all relevant City Agencies, Corporations and divisions.

Roadmap

The City, under the direction of the City Manager's Office, will hire an external consultant to review the existing real estate structures of all City divisions, Agencies, and Corporations with the aim to improve coordination between all real estate functions on a City-wide basis. By Q1 2016, a report will be delivered to Council with recommendations and an

implementation plan to create a City-Wide Framework for the City and its Agencies and Corporations.

Include the Agencies in a plan to transition to managing digital records

Council Directive

City Council requests the City Clerk, in consultation with the City Manager and the Chief Information Officer, to include in the Information Management Strategy for the City, a plan to transition to managing digital records and phased-in implementation to include City Agencies.

Update

The City and Agencies have been meeting regularly. The City's development of an Information Management Strategy originally planned to begin in 2014 was delayed, and work on the initiative started at the beginning of 2015. No Agency has a comparable initiative for an organization-wide information management strategy underway or planned. However, some Agencies, including the TTC and Toronto Police Service, are actively developing digital record keeping capabilities and may well be 'ahead' of the City in terms of implementation. IM Working Group will be consulted in the development of the City's strategy in order for Agencies to adapt the IM strategy for their purposes as appropriate. The City's Information Strategy is scheduled for completion at the end of 2015.

Roadmap

The City will consult with the Agencies while in process of developing the City's strategy so that the Agencies can be phased in as part of the transition to digital records. The Working Group noted significant dependencies between the strategy and other initiatives, including, management of IT contracts, sharing IT infrastructure, rationalizing IT applications.

Status of Additional Shared Service Opportunities

Incorporate the Agencies in the Facilities Transformation Project

Council Directive

None - this opportunity was added by the Shared Services Executive Steering Committee.

Update

The Facilities Management Working Group met in 2014 and decided that the best approach was for the City's Facilities Management Division perform shared services assessments with each Agency separately. These assessments started in January 2015 with Toronto Public Library with a discussion around using a shared services model to provide security services. Toronto Parking Authority's assessment was started in March 2015.

Roadmap

Agency assessments will begin in 2015 and continue in 2016 with implementation potential to commence in 2017.

Establish a Fleet Management Centre of Excellence

Council Directive

None - this opportunity was added by the Shared Services Executive Steering Committee.

Update

Fleets' shared services are coordinated formally through the Fleet Management Steering Committee (FMSC). In 2014 the Terms of Reference were revised and membership was expanded. The FMSC is comprised of members from FSD, TPS, TFS, TPS (EMS), TTC non-revenue, Exhibition Place, TPA, Toronto Zoo, Toronto Public Library and PMMD. At each monthly meeting, issues of concern are discussed and coordinated as required.

The main benefit is information-sharing. To this point the greatest savings can be attributed to the Bulk Fuel Purchase which is coordinated by PMMD and the contract is managed by FSD. In 2014 the creation of the Consolidated Green Fleet Plan 2014 – 2018 was developed by FSD, TPS, FSD, TTC non-revenue and TPS is seen as an efficiency. Each year FSD updates the Emergency Support Function (ESF) document on behalf of all members.

Roadmap

In 2016 the FMSC will continue to serve its members and coordinate Fleet activities as required.

Establish an IT Contract Management Centre of Excellence

Council Directive

None - this opportunity was added by the Shared Services Executive Steering Committee.

Update

The City's Information & Technology Division formed a project team in 2014 responsible for all three IT-related opportunities (IT Infrastructure, IT Application Rationalization, and IT Contracts). The IT Project Management team has engaged PMMD and has assigned a team lead from the IT Contract Management Office.

Although many City IT contracts are already adopted by Agencies (which reduces duplicate procurement activity and allows for pricing improvements) the team anticipates that economies of scale can be realized by combining contracts for common IT infrastructure, applications, and services.

Roadmap

A task force consisting of City and Agency resources with IT contract management experience will endeavor to:

- Review existing IT Contracts
- Identify City and Agency resources to form a task force to assess IT Contract rationalization opportunities.
- Assess the benefits of establishing an IT Contract Management Centre of Excellence to formalize collaboration and implement processes that support sharing of IT contracts between the City and Agencies.

Any immediate opportunities will be identified and acted upon. In addition, recommendations adopted for implementing IT Shared Services Infrastructure and Rationalization of Applications may foster opportunities to consolidate IT Contracts.

Establish an Internal Audit Centre of Excellence

Council Directive

None - this opportunity was added by the Shared Services Executive Steering Committee.

Update

Completed in 2014. The group is meeting quarterly to share best practices and examine opportunities for increase collaboration.

Establish a Real Estate Centre of Excellence

Council Directive

None - this opportunity was added by the Shared Services Executive Steering Committee.

Update

The Real Estate Centre of Excellence was formed in 2014 and met regularly until February 2015 when it was decided that the best approach was to expand the scope of this project to all real estate functions and all Agencies and Corporations.

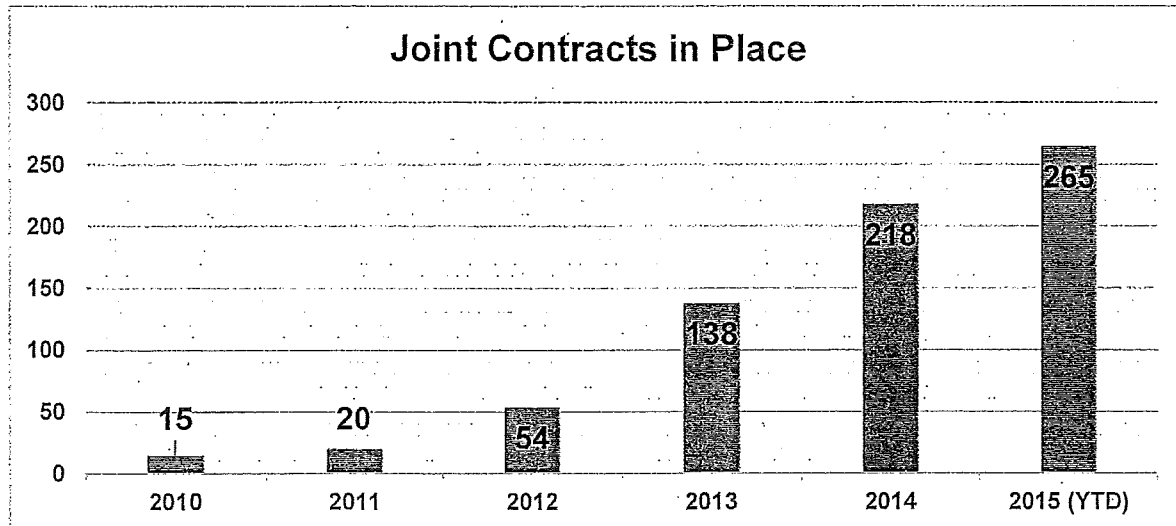
Council approved the City-Wide Real Estate Framework report in April 2015. This project will analyse the options related to the better coordinating of all real estate activities for all relevant City Agencies, Corporations and divisions.

Roadmap

The City, under the guidance of the City Manager's Office, will hire an external consultant to review the existing real estate structures of all City division, Agencies, and Corporations with the aim to improve coordination between all of real estate functions on a City-wide basis. By Q1 2016, a report will be delivered to Council with recommendations and an implementation plan to create a City-Wide Real Estate Framework for the City and its Agencies and Corporations.

APPENDIX 2: Summary of Cooperative Purchases

As a result of the Shared Services Study, the Cooperative Purchasing Group was formed and has increased joint contracts from 15 in 2010 to 265 as of July 2015. The graph below summarizes the joint contracts in place from 2010 to the end of July 2015.



The following tables identify the cooperative purchases completed to date (either through a joint procurement where Agency requirements are built into the City's call before issuance or through piggy-backed procurement where an Agency entered into a contract with the City's vendor after the fact) and identify future opportunities identified by the CPG for further analysis to become joint procurements.

These tables do not include cooperative purchases with organizations outside the City of Toronto – for example, the Toronto Police Service regularly purchases jointly with other policing organizations at the provincial and federal levels.

Any purchases noted in Table 1 are automatically considered for future opportunities for Table 2. In addition, future opportunities will continue to grow as more analysis on common spending is done through the CPG.

Table 1 – Joint and Piggy-Backed Purchases Done to Date

Description of Product/Service		Description of Product/Service	
1	Antifreeze	39	Maintenance of Signal Equipment
2	Automotive Suspension Parts	40	Media Storage Services
3	Automotive Oils	41	Metals
4	Automotive Rust Control	42	Moving Services
5	Banking	43	New Signal Installation
6	Batteries	44	Phone Language Interpretation

Description of Product/Service		Description of Product/Service	
7	Benefit Consulting	45	Painting Services
8	Bicycle Rings	46	Paper products - wipes, towels, toilet
9	Cargo Vans	47	Personal Care Products
10	Cisco Network Equipment	48	Pest Control
11	Collections	49	Pick up and Recycling of Lamps
12	Custom Broker	50	Picnic Tables
13	Data Network Services	51	Plumbing Supplies
14	Desktop Equipment	52	Print & Online Advertising
15	Doors and Maintenance	53	Purchasing Card
16	Electrical Supplies	54	Radio & Voice Logging Infrastructure
17	Employee & Pensioner Health Benefits	55	Rental of Mops
18	Envelopes	56	Rock Salt
19	ePrint Devices	57	Safety Footwear
20	Executive Recruitment Services	58	Servers & Warranty
21	Fertilizers	59	Stationary
22	Fire Extinguisher Maintenance	60	Supply & Install of Transit Shelters
23	Fire Hydrant Maintenance	61	Symantec Veritas Licenses & Support
24	Fine Paper	62	Tire Repair
25	Flags	63	Toner
26	Fleet Parts & Inventory Management	64	Traffic Sign Brackets
27	Fuel	65	Translation Services
28	Fuel Site Maintenance & Repair	66	Training Courses
29	Garbage Bags	67	Truck Chassis
30	Graffiti Removal Services	68	Various Lumber
31	Grass Seeds	69	Vehicle Maintenance
32	Headsets	70	Vehicle Purchases
33	Hydro & Natural Gas	71	Walk Off Mats
34	Ice Melting Products	72	Waste Oil Removal
35	Industrial Supplies	73	Watches (25 years of service)
36	IT Resources Roster	74	Welding Gases
37	Janitorial Supplies	75	Wireless Telecommunications
38	Lamps & Ballasts	76	Uniform Rental and Cleaning

Table 2 – Future Opportunities Not Identified in Table 1

Description of Product/Service	
1	Appliances
2	ARC Resistant Clothing (Orange)
3	Auto Parts

	Description of Product/Service
4	Chain Link Fencing
5	Electrical Components
6	Electrical Supplies
7	Emergency Generators – Testing & Repair
8	Freon R22
9	Furniture (Various)
10	Hand Cutting Tools
11	Misc. Hardware and Bldg Products
12	Motors
13	Office Equipment Repairs
14	Office Furniture Repairs
15	Parts Cleaning Stations - Service
16	Pumps & Electric Motors
17	Safety Products/Equipment
18	SAP Licenses
19	Shredder Service
20	Summer & Winter Maintenance
21	Time & Attendance Mgt System
22	Towels
23	Towing Services

APPENDIX 3: Summary of Existing Collaboration

Although the KPMG report identified many shared services opportunities in place, some shared services opportunities were not included in the list they provided. The table below summarizes the level of collaboration between the City and the Agencies prior to the Shared Services Project. A more comprehensive list of existing shared services activities follows the table.

Function	City	TTC	TPH	TPS	TPL	TPA	EP	Zoo	TCHC
Facilities Management	●		●	●				I	
Financial Planning	●	●	●	●	●	●	●	●	●
Fleet Services	●	I	●	I	●		I	I	●
Human Resources / Labour Relations	●		●		I	I	●	●	
Information Management	●	I	●	I		I	I	I	I
Information Technology	●	I	●	I	I	I	I	I	I
Insurance & Risk Management	●		●	●	●		●	●	●
Internal Audit	●		●	I			I		I
Legal	●	●	●	●	●	●	●	●	●
Parking Services	●	●	n/a	n/a	I	●			●
Purchasing	●	I	●	I	I	I	●	I	I
Real Estate	●	I	●	●	●	I	●	●	I

●	High level of collaboration between organizations
I	Moderate level of collaboration between organizations
	Limited to no collaboration between organizations
n/a	Not applicable

Facilities Management

The City's Facilities Management Division is engaged with the Agencies as listed below.

- The City provides a full range of services to Toronto Public Health.
- The City provides building operations, maintenance, and custodial services to Toronto Police Service.
- The City provides Energy and Environment services to the Zoo.
- The City provides various services to the other Agencies upon request.

Financial Planning

The City's Financial Planning Division offers a full range of services to all the City agencies.

Fleet Services

The City's Fleet Services Division is engaged with the Agencies as listed below.

- Fleet Management Steering Committee with representation from Exhibition Place, Toronto Parking Authority, Toronto Police Service, Toronto Public Health, Toronto Public Library, Toronto Transit Commission, Toronto Community Housing Corporation, the Zoo, and some City divisions.
- The City is the sole provider for fleet maintenance and management for Toronto Community Housing Corporation, Toronto Public Health, and Toronto Public Library.
- The City's fleet contracts can be accessed by the Agencies (maintenance, rentals, tires).
- The City's Emergency Medical Services (EMS) Division vehicles use Toronto Police Service Fleet fuel locations to refuel.
- The Agencies use the City's fuel locations to refuel.
- The Agencies use the City's pricing to purchase fuel, where advantageous.
- The Agencies use the City's pricing on vehicles, where advantageous.
- The Agencies participate in the City's emergency management planning to provide a comprehensive overview of fleet contingencies, contacts, and resources.
- Agency fleet training opportunities are available to City division employees.
- The City provides training to the Agencies when requested.

Human Resources

The City's Human Resources Division provides a full range of services to Toronto Public Health, full labour relations services, including bargaining, to Exhibition Place, and provides bargaining services to the Zoo. Additionally, The City's Health and Safety group is engaged with the Agencies as listed below.

- Toronto Parking Authority, Toronto Public Library, and Exhibition Place use the City's Health & Safety group for Health & Safety training.
- The City's Health & Safety group offers some Health & Safety consultation to the Agencies, upon request.

Information and Technology

The City's Information & Technology Division is engaged with the Agencies as listed below. Additional collaboration areas are captured in Appendix 4.

- Provides a full range of Information Technology services to Toronto Public Health.
- The City's Chief Information Officer and the heads of Information Technology for Toronto Public Library, Toronto Transit Commission, and Toronto Police Service regularly meet to discuss strategy, policy, and collaboration opportunities.
- The City and the Agencies meet regularly to share standards and best practices.
- The City, Toronto Public Health, and Toronto Community Housing Corporation are currently sharing a Data Centre.
- The City and the Agencies regularly meet to discuss vendor products and identify opportunities for joint Information Technology purchasing.
- The City provides infrastructure and application services and support to the Zoo.
- Toronto Transit Commission and the City will collaborate to best leverage the City's existing SAP contract.
- The City provides IT Infrastructure services to TCHC through a co-location of TCHC's primary data centre within the City's space at the Telus data centre.
- Numerous contract collaboration arrangements exist for hardware, software, and services. These are listed in Appendix 4.

- TPS provides a common platform for 911 telephone systems used by Toronto Fire and Toronto Paramedic Services, allowing for ease of communication, handoff of calls, and cost reductions.
- TPS provides the radio operations infrastructure leveraged by Toronto Fire, Toronto Paramedic Services, TCHC, and Corporate Security.
- TPS uses the City's SAP system for financial tracking and transactions and is interested in exploring shared services opportunities in Time & Attendance and Scheduling.
- TPS obtains digital maps and data from City.
- TPS leverages the City Archives in storage and licensing, concluding in 2016.
- The Zoo leverages the City's email infrastructure.
- The TTC leverages the City's open data platform for a variety of vehicle arrival and service disruption services.

Information Management

The City Clerk's Office, Corporate Information Management Services is engaged with the Agencies as listed below.

- The City provides low-cost, off-site records retrieval and storage services for more than 50 Agencies, Boards, committees, and Corporations, including Toronto Parking Authority, Toronto Police Service, Toronto Public Health, Toronto Transit Commission, Toronto Community Housing Corporation, Hydro, the Zoo, Toronto Port Lands, Sinking Fund Committee, AOCC Boards, Business Improvement Areas, Heritage Toronto, St. Lawrence Centre for the Arts, Toronto Licensing Tribunal, and numerous Quasi-Judicial and Advisory Boards.
- Of the City's 800 Livelink Records Management Software licenses, over 50 are shared and used by the Agencies listed above.
- The City provides archives services (preservation and access by the public) for Toronto Public Health, Toronto Transit Commission, Hydro, and the 519 Community Centre.
- The City processes Freedom of Information (FOI) Requests for Build Toronto, Toronto Public Health (for MFIPPA requests only) the Zoo and provides advice to Arena Boards, AOCCS, and numerous Quasi-Judicial and Advisory Boards.
- The City provides advice to Agencies on classification and scheduling of common administrative records such as financial, human resources, and administrative records.
- The City shares information management policies and standards with the Agencies.
- The City has concluded Service Level Agreements for information management services with Toronto Public Health, Toronto Transit Commission, Harbourfront Community Centre, The 519 Community Centre, Applegrove Community Centre, and Ralph Thornton Community Centre.

Insurance and Risk Management

The City's Insurance & Risk Management group is engaged with the Agencies as listed below.

- The City provides a full range of services to Toronto Police Service, Toronto Public Health, Toronto Public Library, and the Zoo.
- The City provides services to the other Agencies upon request.

Internal Audit

The City's Internal Audit Division is engaged with the Agencies as listed below.

- The City provides audit services to Toronto Public Health.
- The City provides internal audit services to Exhibition Place on a fee per audit basis, which is determined at the beginning of each audit.
- The City has assisted Toronto Community Housing Corporation to implement recommendations from the Auditor General's report on Procurement.
- The City is working with the Toronto Police Service Board which identified two potential reviews.
- Toronto Community Housing Corporation, Toronto Transit Commission, Toronto Police Service, and the City have collaboratively established a Cross-Agency Audit Working Group that meets quarterly. The quarterly meetings are intended to discuss emerging issues in the internal audit field, leverage training opportunities, exchange ideas, share tools, and share work programs. These meetings are deemed to be extremely beneficial to all participating organizations and all participating organizations have gained knowledge from the experiences of the others.

Legal Services

The City's Legal Division is engaged with the Agencies as listed below.

- The City's provides legal support for real estate transactions to all Agencies.
- The City provides all services to Exhibition Place, Toronto Public Health, and the Zoo.
- The City provides municipal law expertise to Toronto Public Library and Toronto Parking Authority.
- The City is the Toronto Police Services Board's legal counsel and provides legal support to both Toronto Police Service and the Toronto Police Service Board for contracts, employment law, and non-employment-related human rights claims.

Parking Services

Toronto Parking Authority is engaged with the City, Toronto Transit Commission, and Toronto Community Housing Corporation as listed below.

- Toronto Parking Authority operates 53 parking facilities owned by the City and Toronto Transit Commission on a year-round basis.
- Toronto Parking Authority operates 15 City locations during the summer months only.
- Toronto Parking Authority operates one parking facility for Toronto Public Library.
- Toronto Parking Authority is responsible for all aspects of supply, operation, maintenance, collection and servicing of revenue equipment for approximately 50 TCHC visitor parking facilities.

Purchasing

The City's Purchasing and Materials Management Division (PMMD) is engaged in procurement of common goods and services with the Agencies in the ways listed below.

- The City provides a full range of procurement services to Exhibition Place and Toronto Public Health directly.
- The City and the Agencies established a Cooperative Purchasing Group (CPG) which includes Toronto Public Library, Toronto Transit Commission, Toronto Police Service, Exhibition Place, Toronto Community Housing Corporation, and the Zoo to identify and work collaboratively on procurement initiatives.
- Agencies and Corporations use City Stores to pick up commonly held inventory, this includes Toronto Transit Commission, Toronto Community Housing Corporation,

Toronto Police Service, Exhibition Place, Toronto Parking Authority, University of Toronto, the Zoo, University Settlement, Harbourfront Community Centre, St Lawrence Centre for the Arts, 519 Church St Community Centre, and Deep Quong Non-Profit Homes Inc. (See Appendix 2 for listings of joint purchases and piggy-back purchases done to date and future joint procurement opportunities identified.)

Real Estate

The City's Real Estate Services Division is engaged with the Agencies as listed below.

- The City provides a full range of services to Toronto Public Health and Toronto Police Service.
- The City provides some lessor services to Toronto Public Library.
- The City provides leasing services to Toronto Transit Commission and Toronto Parking Authority in some circumstances.
- The City rents space to the Agencies and the Agencies rent space to the City.

Toronto Public Health

The City and Toronto Public Health are highly integrated and share all services. The City offers a full suite of services to Toronto Public Health in the areas listed below.

- Facilities Management
- Fleet Services
- Human Resources
- Information and Technology
- Information Management
- Insurance and Risk Management
- Internal Audit
- Legal Services
- Purchasing
- Real Estate

Appendix 4: Summary of Benefits Achieved

The two tables below summarize benefits identified through the work of the Shared Services Working Groups. This list should not be considered an exhaustive list of benefits achieved – many benefits are hard to capture. As part of the Shared Services journey in order to accurately capture and report benefits, processes and systems must be in place across the organizations and currently these requirements do not exist. This work is part of the enhanced collaboration approach applicable to all Shared Services opportunities identified in this report. In the absence of the needed processes and systems, the following chart represents anecdotal benefits.

These tables do not include benefits achieved through partnerships with organizations outside of the City of Toronto – for example, the Toronto Police Service regularly partners with other policing organizations at the provincial and federal levels.

Table 1 – Non-IT benefits achieved

Benefit	Estimated Efficiency (in hours)	Comments
Total	3,020	
Training and Learning	90	
EP used the City's Fraud Prevention course instead of developing their own	40	Course content will be valid for a period of 5 years.
EP used the City's list of consultants for professional development programs	10	
TTC used the City's Ethics course to create their own customized course	40	
Fleet Services	1,820	
Joint fuel purchases – City, Zoo, TCHC, TPL, EP, TTC, TPS all purchase fuel jointly	NA	Estimated 5¢/litre savings compared to retail price. Subject to competitive procurement process.
Joint vehicle purchases – City, TCHC, TPL	NA	
Fleet Management Information System (FMIS) - FSD, TFS and EMS, TCHC, TPL	1,820	Estimated cost avoidance of \$0.12 million/year in licensing & maintenance fees
Emergency Support Function (ESF) has been established amongst Agencies - TTC, TFS, TPS, EMS, FSD, EP, TPA	NA	Coordination of resources in an emergency is simplified, reducing risk
Occupational Health and Safety	110	
EP uses the City's Training Program	NA	

Benefit	Estimated Efficiency (in hours)	Comments
TPL uses the City's policies to inform its own related policy framework	40	
Access to the City's intranet provides access to internal documents and advisories	20	Saved time on environmental scan
COT, TPS and TTC have developed a range of e-training modules.	200	
Joint call for ergonomic assessment services	NA	
Collaboration on Working at Heights training	NA	
Information Management		1,000
EP adopted the City's records classification scheme and records retention schedule	1,000	
EP adopted the City's document management system, LiveLink.	NA	Estimated cost avoidance of \$100,000 in one-time software costs and an estimated \$10,000/year in technical support costs
The City launched an online application for submitting FOI requests early in 2015.	NA	Application has not been operating long enough to estimate benefits.
City Stores Rationalization		
In 2014 – 2 City Corporate Stores were closed and consolidated into a single location (799 Islington).	NA	60 Brant Street - The sale and development of the adjacent mixed-use development will generate revenue for the City from property taxes and development charges and fees
Other		
Agencies Access to City Job Board	NA	This has allowed smaller Agencies and Corporations to gain greater visibility and reach a much larger audience.

* Only efficiencies related to program time were included in this summary, efficiencies related to procurement were not included.

Table 2 – IT benefits achieved (some in place prior to the Shared Services Project)

Information Technology Area	Organizations Involved	Benefit
IT Infrastructure	City, TCHC, TPH	City, TCHC, & TPH Data Centres are co-located
Network hardware	City, TPH, TTC, Zoo, TCHC	The TTC, TCHC, & Zoo leverage the City's contract to purchase network hardware.
Telecommunications Contracts	City, TPH, Zoo, TCHC	Monetary savings are realized by the economies of scale used to secure pricing discounts linked to the volume of services.
Sharing of Federal Contracts	City, All Agencies	City & All Agencies benefit by using Federal IT contracts instead of undertaking separate procurement processes.
LAN/WAN services	City, TPH, Zoo, TCHC	TCHC & Zoo are using the City's services.
Intranet and Internet Services	City, TPH, TPL, EP, TTC, ZOO	Agencies benefit by leveraging the City's Network
Server and Storage Procurement and Maintenance	City, EP, TCHC, TPA, TPH, TPL, TTC, ZOO	The City and Agencies share a contract.
Procurement of workstations and imaging services	City, TCHC	The City and Agencies share a contract.
Hosting service – Virtual desktop Server Infrastructure, Storage Services	City, TPH, TTC, TPL	TTC, TPH & TPL are currently leveraging the City's hosting services.
Unstructured File Repository	City, Zoo, TPL, Zoo	Toronto Zoo benefit through leveraging shared maintenance contracts.
Oracle – Software & Service Contract	City, TPL	City and TPL benefit through leveraging the various vendor contracts.
Cogeco Fiber Network Project	City, TPL, TTC, TPS, TCHC	City, TPL, TTC, TPS, TCHC benefit through leveraging vendor (Cogeco)

Information Technology Area	Organizations Involved	Benefit
		contract.
911 telephone systems	TPS, CoT	Common platform and system allows for ease of communications and handoff of calls.
Radio infrastructure	City, TPS, TCHC	Common platform and system for voice radio operations.
SAP	City, TPS	TPS uses the City's SAP system for financial tracking and transactions.
Financial Planning & Report System (FPARS)	City, TPS	Active participation with CoT in project
Geospatial Information Systems (GIS)	City, TPS, TCHC	TPS obtains digital maps and data from City. Shared contract for TPS with City for geographic Information, TCHC uses ARCGis.
Application Parking Ticket system	City, TPS	Benefits to City, TPS include improved service delivery and efficiency.
Memo Book Application Manages boxes of stored memo books at City Archives.	City, TPS	TPS leveraging City Archives in storage and licensing until 2016.
eTicketing Application Traffic infractions	TPS, City	Improved service delivery and efficiency
Application Vehicle Impound system File Transfer	City, TPS	Improved service delivery and efficiency
HRMS Peoplesoft Application Human Resource Management System	City, TPS	Improved service delivery and efficiency
PDMS Application Pay Duty System	City, TPS	Improved service delivery and efficiency
Court Scheduling Applications	City, TPS	Improved service delivery and efficiency

Information Technology Area	Organizations Involved	Benefit
Parking Information Notification System	City, TPS	Improved service delivery and efficiency
CERS Application Clothing Reimbursement	City, TPS	Improved service delivery and efficiency
Bell Canada Contract Integrated telecommunications infrastructure Agreements	City, TPS, TCHC	Cost savings was realized by leveraging this contract
Email	City, Zoo	<ul style="list-style-type: none"> - Zoo is fully integrated into the City's Email Infrastructure - Benefits to Zoo include access to Email services without the need for separate, dedicated resources.
Open Data Platform	City, TTC	The TTC leverages the City's Open Data Platform for transit arrival times and service disruptions.
Remote Access Tokens	City, TTC	TTC & City collaborate on maintenance and purchases
Language Line Services	City, TTC	Used by TTC's Legal & Claims and Transit Enforcement departments
Copying and Printing	City, TTC, TCHC	Shared contracts for Multi-Function Devices
Document Storage	City, TTC, TCHC	TTC & TCHC share the City's contract for off-site media storage
Microsoft Select Plus	City, TCHC	Microsoft level D pricing

Appendix 5: Project Plan

The table below presents a high-level project plan broken down by time frame to implement and recommendation.

Recommendation / Task to Complete Recommendation	Status	Target Timeline					
		2014	2015	2016	2017	2018	2019
Implement and Report as Required (Opportunities to Implement in the Short-Term)							
Human Resources							
Share generic training and learning functions							
- Establish a Working Group	Complete	●					
- Examine Shared Services Opportunities	In Progress	●					
- Pilot Shared Services Model	In Progress		●				
- Expand Shared Services Model to small Agencies	Not Started			●			
Coordinate and standardize common Health and Safety functions							
- Establish a Working Group	Complete	●					
- Examine Shared Services Opportunities	In Progress	●					
- Align Policy	In Progress		●				
- Standardize Processes	In Progress		●				
- Create Common Metrics	In Progress		●				
Internal Audit							
Enhance the use of the City's Internal Audit Division by Agencies							
- Offer Internal Audit Services to EP	Complete	●					
- Offer Internal Audit Services to TPL	Complete	●					
Establish a Quality Assurance Centre of Excellence							
- Establish a Centre of Excellence	Complete		●				
- Consider extending membership to the Agencies	Not Started			●			
Procurement							
Continue to rationalize the City stores and automate P2P processes							
- Rationalize Locations & Increase Direct Deliveries	Ongoing						Ongoing
- Automate P2P Processes				●			
Information Management							
Provide the City's online submission application for FOI requests Agencies							
- Create a FOI Online Submission Application	Complete		●				
- Make the Application Available to the Agencies	Complete		●				
Real Estate							
Expand the City's provision of lessor services to TTC and TPA							

Recommendation / Task to Complete Recommendation	Status	Target Timeline					
		2014	2015	2016	2017	2018	2019
- Establish a Working Group	Complete	●					
- Complete an Analysis of the Recommendation	Complete	●					
- Defer until City-Wide Real Estate Framework Assessment Complete	In Progress			●			
Insurance							
Insure the Toronto Parking Authority under the City's insurance							
- Complete an Analysis for Toronto Parking Authority	In Progress		●				
- Implement findings	Not Started			●			
Insure the Toronto Transit Commission under the City's insurance							
- Complete an Analysis	Complete		●				
- Examine Potential of City using TTC Insurance Company	Complete		●				
- Apply to the Province for Permission for the City to use the Company	Not Started		●				
- Implement	Not Started	To be determined					
Implement Pending Further Due Diligence and Planning (Opportunities to be Implement in the Long-Term)							
Human Resources							
Develop a labour relations and collective bargaining strategy							
- Establish a Working Group	Complete	●					
- Develop a Strategy for Moving Forward	In Progress		●				
Standardize human resource information systems and share payroll administration							
- Establish a Working Group	Complete	●					
- Examine Shared Services Opportunities	In Progress		●				
- Complete the City's Payroll Modernization Projects	In Progress			●			
- Assess Shared Service Opportunities and Models	Not Started				●		
- Prepare Business Case and Implementation Plan	Not Started				●		
- Approve Business Case and Implementation Plan	Not Started				●		
- Implement	Not Started	To be determined					
Establish a change management centre of excellence							
- Establish a Working Group	Complete	●					
- Develop a Strategy for Moving Forward	Complete		●				
Procurement							
Share procurement of common goods and services and implement strategic sourcing							
- Establish a Cooperative Purchasing Group:	Complete	●					
- Create Cooperative Procurement Procedures	Complete	●					
- Align Policy	In Progress		●				

Recommendation / Task to Complete Recommendation	Status	Target Timeline					
		2014	2015	2016	2017	2018	2019
- Standardize Processes	In Progress		●				
- Create Common Metrics	Complete		●				
- Establish Strategic Sourcing Working Group	Complete	●					
- Complete City's Program Review	In Progress			●			
- Implement Strategic Sourcing at the City	Not Started				●		
- Extend Strategic Sourcing to the Agencies	Not Started	To be determined					
Information Technology							
Share common information technology infrastructure							
- Establish a Steering Committee	Complete	●					
- Set the foundation for Enterprise Partnership	In Progress			●			
- Decide whether to move to Enterprise Partnership	Not Started			●			
- Implement phased-in Enterprise Partnership	Not Started			●	●	●	●
- Decide whether to move to Managed Services	Not Started						●
- Implement	Not Started	To be determined					
Rationalize information technology applications							
- Establish a Working Group	Complete	●					
- Develop a Shared Service model to centralize the systems management of SAP ERP	In progress				●		
- Assess IT Application for rationalization between the City, Agencies & Corporations	In progress			●			
- Rationalize Information Technology	Not Started	To be determined					
Real Estate							
Coordinate real estate contract and vendor management							
- Establish a Working Group	Complete	●					
- Complete an Analysis of the Recommendation	Complete	●					
- Defer until City-Wide Real Estate Framework Assessment Complete	In Progress			●			
Information Management							
Include the Agencies in a plan to transition to managing digital records							
- Establish a Working Group	Complete	●					
- Develop a Strategy for Moving Forward	In Progress		●				
Additional Opportunities (Opportunities added by the Executive Steering Committee)							
Facilities Management							
Incorporate the Agencies in the Facilities Transformation Project							
- Establish a Working Group	Complete	●					
- Complete Assessments for all Agencies	In Progress		●				

Recommendation / Task to Complete Recommendation	Status	Target Timeline					
		2014	2015	2016	2017	2018	2019
- Implement opportunities identified from assessments	In Progress	To be determined					
Fleet Management							
Create a Fleet Management Centre of Excellence							
- Establish a Working Group	Complete	●					
- Examine Shared Services Opportunities	Ongoing	●					
- Align Policy	In Progress		●				
- Standardize Processes	In Progress		●				
- Create Common Metrics	In Progress		●				
Information Technology							
Establish an IT Contract Management Centre of Excellence							
- Establish a Working Group	Complete	●					
- Implement	Not Started	To be determined					
Internal Audit							
Create an Internal Audit Centre of Excellence							
- Establish a Working Group	Complete	●					
- Examine Shared Services Opportunities	Complete	●					
- Assess potential to Align Policy	Complete		●				
- Assess potential to Standardize Processes	Complete		●				
- Assess potential to Create Common Metrics	Complete		●				
Real Estate							
Create a Real Estate Centre of Excellence							
- Establish a Working Group	Complete	●					
- Examine Shared Services Opportunities	Complete	●					
- Defer until City-Wide Real Estate Framework Assessment Complete	In Progress			●			
Coordinate Real Estate Functions across all City Agencies and Corporations							
- Assess Shared Service Opportunities and Models	In Progress			●			
- Bring Recommendations to Council for Approval	Not Started			●			
- Implement	Not Started	To be determined					

