



Hamilton

INFORMATION REPORT

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| TO: | Chair and Members Public Works Committee |
| COMMITTEE DATE: | March 20, 2017 |
| SUBJECT/REPORT NO: | Public Works Organizational Structure Review (PW17025) (City Wide) (Outstanding Business List Item) |
| WARD(S) AFFECTED: | City Wide |
| PREPARED BY: | Joel McCormick 905-546-2424, Extension 5601 |
| SUBMITTED BY: | Dan McKinnon General Manager Public Works |
| SIGNATURE: | |

Council Direction:

At the March 30, 2015 Special City Council meeting, Council directed the City Manager to explore the opportunities and various options associated with the size and scope of the Public Works Department, including but not limited to, the creation of two separate departments or other service delivery models, in an effort to ensure service delivery is optimized.

Information:

In the fall of 2015, staff engaged the services of COREinternational Inc. (consultant), a consulting firm with expertise in accountability based organizational design to help senior leadership with their review of the organizational structure of Public Works (PW) and help determine if PW was too large for one General Manager role.

Following an initial review, the consultant's preliminary conclusions were provided to Council through Information Report CM16004. The report indicated that there was no data to suggest that the General Manager of PW role needed to be split. It did however reveal that the role requires redesign to:

- Do the strategic work that cannot be delegated
- Oversee and add value to the work of the subordinate director roles
- Fulfill consultation and liaison work with members of Council, and
- Support and execute on the strategic priorities of the City Manager and the Senior Leadership Team.

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**SUBJECT: Public Works Organizational Structure Review
(PW17025) (City Wide) - Page 2 of 4**

The consultant also suggested that a redesign of the General Manager's role would require changes to other leadership roles and restructuring within PW to create a more efficient organization that is more conducive to effective collaboration.

Following the initial review, the consultant conducted in-depth data collection and analysis of PW, which primarily focused on understanding the distribution of work and responsibilities within the divisions. This was completed with the intent to provide an overview of the current PW organization and how it operates, including opportunity for improvements and the development of a high-level organizational structure for PW. The in-depth analysis revealed a number of structural inefficiencies that had developed over time. These inefficiencies included the following:

- Grouping of work
- Leveling of work
- Role clarity, and
- Team work both across PW and other City departments

Prior to the development of the new PW structure, the following organization design criteria was developed to assess future state organizational design propositions for PW:

- Take into account and address the reciprocal nature of work within PW and other parts of the City of Hamilton
- Reduce co-ordination cost
- Resolve/reduce redundant management work
- Group specialized tasks that require little or no crossover with the other parts of the organization
- Optimize the use of human capital, and
- Establish clear accountability for work

With the above organization design criteria and the improvement themes developed from the in-depth analysis, the following changes to the PW organizational structure were implemented:

- Energy Initiatives and Central Fleet have become part of the new Energy, Fleet & Facilities Division
- A new Division called Transportation has been created, which includes Traffic Operations & Engineering, Transportation Planning Services (formerly known as Transportation Management) and Policy & Programs.
- The Director of Transportation will also assume the newly created position of Associate General Manager (AGM) to provide additional leadership throughout the transition to the new organizational structure.

**SUBJECT: Public Works Organizational Structure Review
(PW17025) (City Wide) - Page 3 of 4**

- Landscape Architecture Services, Recycling & Waste Disposal and Waste Collections will be joining the Environmental Services Division
- Waterfront Development will join the Engineering Services Division

The new PW organizational structure is attached to this report as Appendix A.

On February 23, 2017 with Council's direction to the Senior Leadership Team to significantly reduce departmental operating budgets while continuing to deliver excellent services PW moved forward with the structural changes as outlined in this report. With these changes, two Director positions and their associated administrative assistant positions within PW were eliminated.

With the implementation of the new PW organizational structure, PW will be seeking opportunities to create efficiencies relative to PW operations and capital delivery throughout 2017. This will be accomplished through process improvement, re-organization of work, and optimization of all Divisions within PW. This work will also include a review of similar or complementary work currently performed in other Departments.

The success of the newly implemented PW organizational structure is contingent on several factors identified by the consultant throughout the review process. These factors identified as Critical Success Factors are as follows:

- Right staff, in the right roles, operating at the right level
- Additional focus on business process improvement, and
- Technology and a clear digital strategy

Additional details pertaining to the Critical Success Factors are attached to this report as Appendix B. Critical success factors identified by the consultant coincide with work currently being completed by PW staff internally and relate to the people and performance plan, and process improvement program recently implemented across PW. While elements of an effective digital strategy are being implemented across PW, a more coordinated and vigorous investment will be required to ensure the success of the new organizational structure.

In addition to the information outlined in this report, attached as Appendix C is the description of the rationale and theory that the consultant uses to evaluate organizational structures and a summary of the consultant's work plan.

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Appendices and Schedules Attached

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| PW Organizational Structure | Appendix A |
| Critical Success Factors | Appendix B |
| Accountability-Based Management Principals and Process | Appendix C |