KPMG

cutting through complexity™

City of Toronto
Core Services Review

Standing Committee Summary

Public Works and Infrastructure

Public Works and Infrastructure Introduction

This section summarizes our findings for the programs under the Public Works Standing Committee, which include:

- Toronto Water
- Solid Waste Management Services
- Transportation Services
- Technical Services

Core Ranking

The vast majority, 96%, of services that report through the Public Works Committee are core municipal services, either mandatory as a result of provincial legislative requirements or essential to the continued operation of the City as an urban area. The exceptions are described on the following page.

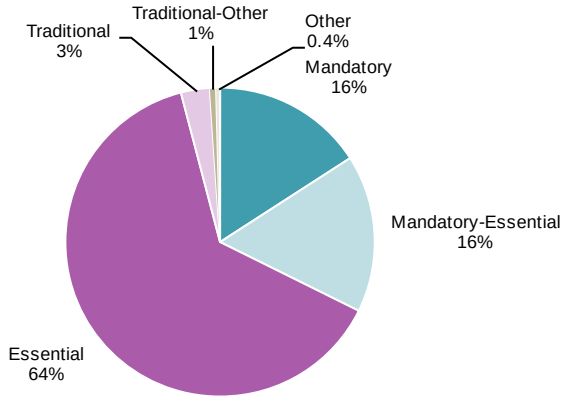


Figure 1: Gross budget cost by core ranking

Service Levels

Over half of the services that report through the Public Works Committee are provided "at standard", which is generally the level required by provincial legislation or the level generally provided by other municipalities. 30% of services are provided at slightly above standard offering some opportunities for cost reduction by lowering the service level provided. 17% of services are delivered slightly below or below standard.

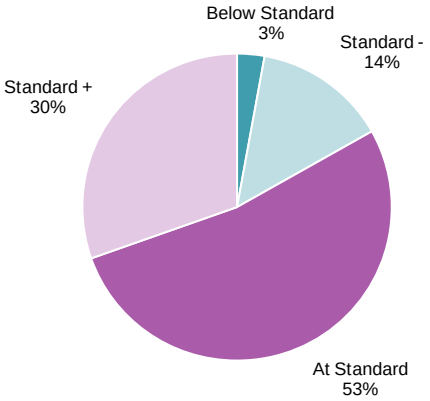


Figure 2: Gross budget cost by service level

* Engineering Surveys, Engineering Design, Data and Application Maintenance and Support, Quality Assurance/ Compliance, Develop / Update Specifications, Standards, and Policies, Equipment and Systems Support, and Construction Quality Assurance / Compliance under Technical Services, did not have service levels and were excluded. Total budget for these activities was $30.1 million.

Public Works and Infrastructure
Core Ranking

Strategic Option:

Toronto has established a very aggressive recycling target, seeking 70% diversion from land fill sites. This derives from the difficulty of finding and developing land fill sites, but is much more aggressive than the targets of other municipalities and will be very difficult (and expensive) to achieve, given the high proportion of apartments in Toronto. Despite the challenges of finding landfill sites, landfill is cheaper than diversion, and the gap will grow as the rate of diversion increases.

Distribution of Program Cost (gross) by Core Ranking

Program Name	Gross Budget ($ m)	Mandatory	Mandatory - Essential	Essential	Traditional	Traditional - Other	Other
Toronto Water	389.9	172.2	-	217.8	-	-	-
Solid Waste Management Services	337.5	-	-	330.0	-	7.0	0.5
Transportation Services	291.8	-	178.8	76.2	32.8	-	4.0
Technical Services	66.3	-	-	66.3	-	-	-

Key Non Core Service Options

- Within Transportation Services there is one service, windrow clearing, that could be eliminated. Other municipalities do not provide it, although they have encouraged volunteer or commercial services to assist the elderly or disabled residents.
- Within Solid Waste there are two small programs that could be eliminated, the Toxic Taxi and the Community Environment Days, requiring residents to deliver toxic goods to permanent drop off sites. The risk is that more toxic goods may be improperly disposed.

Public Works and Infrastructure
Service Level

Alternate Service Delivery Option:

The City has started the process to outsource solid waste collection and continuing this process could result in considerable cost reductions.

Distribution of Program Cost (gross) by Service Level

Program Name	Gross Budget ($ m)	Below Standard	Standard -	At Standard	Standard +	Above Standard
Toronto Water	389.9	-	142.5	141.4	106.1	-
Solid Waste Management Services	337.5	-	-	239.8	97.7	-
Transportation Services	291.8	-	4.9	169.8	117.0	-
Technical Services (Note: $30.1m not assessed)	66.3	30.4	-	5.8	-	-

* Engineering Surveys, Engineering Design, Data and Application Maintenance and Support, Quality Assurance/ Compliance, Develop / Update Specifications, Standards, and Policies, Equipment and Systems Support, and Construction Quality Assurance / Compliance under Technical Services, did not have service levels and were excluded. Total budget for these activities was $30.1 million.

Key Service Level Reduction Options

- Within Transportation Services there are two services with high service levels that could be reduced with little impact.
  - Toronto conducts street sweeping on all roads all summer. Residential and collector streets could be left alone after the spring cleanup is completed.
  - Snow plowing standards could also be reduced marginally on residential streets.
  - Snow removal standards are described higher than required, but the department indicates snow removal is actually only carried out as streets become impassable.
  - Service levels for each of the multitude of individual road maintenance activities could also be reviewed in more detail.
- Within Toronto Water the S+ service level reflects high water quality produced at lower than target cost, but costs could be further reduced by eliminating fluoridation.

Public Works and Infrastructure
List of Opportunities 1/5

Related program / service / activity			Options and Opportunities					
Program Service Activity	Gross Budget ($ m)	Net Budget ($ m)	Type	Description of Opportunity	Potential Savings*	Time Frame**	Risk and Implications	Barriers
• Solid Waste • Waste Collection	126.7	0	ASDR	Consider further contracting out of Collection Services.	Medium (up to 20%) [to rates]	2013	Low	Medium
• Solid Waste • Waste Collection • Community Environment Days	0.5	0	NCSR	Consider eliminating community environment days	Low (up to 5%) [to rates]	2012	Medium	Low
• Solid Waste • Waste Collection • Collect Curbside and Multi-Residential	97.7	0	NCSR	Consider replacing Toxic Taxi with drop off	Low (up to 5%) [to rates]	2012	Medium	Low
• Solid Waste • Waste Processing	198.8	0	SSR	Consider reducing the target rate for diversion and / or setting target rates by category of waste producer	Medium (up to 20%) [to rates]	2013	Medium	High
• Solid Waste • Waste Collection • Collect Curbside	70.2	0	NCSR	Consider eliminating the (4) free garbage tag program	Low (up to 5%)	2012	Low	Low
• Solid Waste • Waste Collection • Small Commercial Waste Collection	7.0	0	NCSR	Consider elimination of small commercial waste collection	High (more than 20%)	2012	Low	Low

•"Potential Savings" are relative to the size of the corresponding program/service/activity the option/opportunity relates to, and may include increased revenues to produce lower tax requirements. Savings will accrue to utility rates rather than taxes where noted.
•** Timeframe refers to first year in which savings could be realized. Full savings may take longer.

Public Works and Infrastructure
List of Opportunities 2/5

Related program / service / activity			Options and Opportunities					
Program Service Activity	Gross Budget ($ m)	Net Budget ($ m)	Type	Description of Opportunity	Potential Savings*	Time Frame**	Risk and Implications	Barriers
• Solid Waste • Solid Waste Processing , Transfer and Disposal • Receiving	28.1	0.0	SSR	Expansion of “Drop and Load” at transfer stations	Low (up to 5%)	2012	Low	Low
• Solid Waste • Solid Waste Processing , Transfer and Disposal • Material Processing	57.8	0.0	ASDR	Outsource facility security services	Low (up to 5%)	2012	Low	Low
• Solid Waste • Solid Waste Processing , Transfer and Disposal • Material Processing	57.8	0.0	ASDR	Outsource grass cutting	Low (up to 5%)	2012	Low	Low
• Technical Services • Land Surveys, Mapping	8.5	2.1	ASDR	Consider third party support for mapping or surveying	Low (up to 5%)	2013	Low	Low

•“Potential Savings” are relative to the size of the corresponding program/service/activity the option/opportunity relates to, and may include increased revenues to produce lower tax requirements. Savings will accrue to utility rates rather than taxes where noted.
•** Timeframe refers to first year in which savings could be realized. Full savings may take longer.

Public Works and Infrastructure
List of Opportunities 3/5

Related program / service / activity			Options and Opportunities					
Program Service Activity	Gross Budget ($ m)	Net Budget ($ m)	Type	Description of Opportunity	Potential Savings*	Time Frame**	Risk and Implications	Barriers
• Technical Services • Municipal Infrastructure Design and Construction	43.3	1.6	ASDR	Consider further use of third party vendors for job contracting as well as alternate delivery models such as program management through external consultants	Low (up to 5%)	2013	Low	Low
• Technical Services • Engineering Review and Approval	8.9	4.2	RE	Consider process improvements to achieve standard levels	Low (up to 5%)	2013	Low	Low
• Technical Services • Land Surveys, Mapping	8.5	2.1	RE	Consider process improvements to achieve standard levels	Low (up to 5%)	2013	Low	Low
• Technical Services • Engineering Policy, Standards and Support	5.6	2.3	SLR	Consider developing and implementing service level standards	Low (up to 5%)	2013	Low	Low
• Technical Services • Municipal Infrastructure Design and Construction	43.3	1.6	SLR	Consider developing and implementing service level standards where they do not exist	Low (up to 5%)	2013	Low	Low

•"Potential Savings" are relative to the size of the corresponding program/service/activity the option/opportunity relates to, and may include increased revenues to produce lower tax requirements. Savings will accrue to utility rates rather than taxes where noted.
•** Timeframe refers to first year in which savings could be realized. Full savings may take longer.

Public Works and Infrastructure
List of Opportunities 4/5

Related program / service / activity			Options and Opportunities					
Program Service Activity	Gross Budget ($ m)	Net Budget ($ m)	Type	Description of Opportunity	Potential Savings*	Time Frame**	Risk and Implications	Barriers
• Transportation • Road and Sidewalk	230.3	144.2	ASDR	Consider shifting the mix of in-house and outsourced service delivery	Low (up to 5%)	2012	Low	Low
• Transportation • Road and Sidewalk • Winter Maintenance	85.1	84.8	NCSR	Consider eliminating the windrow clearing program	Low (up to 5%)	2012	Low	Medium
• Transportation • Road and Sidewalk • Cleaning	23.6	18.1	SLR	Consider reducing frequency of mechanical and / or manual sweeping	Low (up to 5%)	2012	Low	Low
• Transportation • Road and Sidewalk • Winter Maintenance	85.1	84.8	SLR	Consider reducing snow plowing and snow removal standards on residential streets	Low (up to 5%)	2012	Low	Medium
• Transportation • Road and Sidewalk • Repair	33.9	26.4	SLR	Conduct a more detailed review of the service level standards and performance for Repairs	Low (up to 5%)	2013	Low	Low

•"Potential Savings" are relative to the size of the corresponding program/service/activity the option/opportunity relates to, and may include increased revenues to produce lower tax requirements. Savings will accrue to utility rates rather than taxes where noted.
•** Timeframe refers to first year in which savings could be realized. Full savings may take longer.

Public Works and Infrastructure
List of Opportunities 5/5

Related program / service / activity			Options and Opportunities					
Program Service Activity	Gross Budget ($ m)	Net Budget ($ m)	Type	Description of Opportunity	Potential Savings*	Time Frame**	Risk and Implications	Barriers
• Transportation • Public Right of Way • Street Events	2.0	0.7	SLR	Consider collecting fees from all street events permits issued to ensure full cost recovery	Medium (up to 20%)	2012	Low	Medium
• Transportation • Road and Sidewalk • Bicycle Infrastructure Management			SLR	Consider reducing the scale of bicycle infrastructure being developed.	High (more than 20%)	2012	Low	Medium
• Toronto Water • Water Treatment and Supply • Water Treatment	91.99	0	NCSR	Consider eliminating fluoridation of Toronto water	Low (up to 5%) [to rates]	2013	High	Low
• Toronto Water • Water Treatment and Supply	$172.2	0	RE	Continue implementing the final elements of the WBPP and DSIP restructuring to ensure additional efficiencies are obtained	Low (up to 5%) [to rates]	2012	Low	Low

•"Potential Savings" are relative to the size of the corresponding program/service/activity the option/opportunity relates to, and may include increased revenues to produce lower tax requirements. Savings will accrue to utility rates rather than taxes where noted.
•** Timeframe refers to first year in which savings could be realized. Full savings may take longer.

Service Profiles

Public Works and Infrastructure

The next section contains the service profiles for the programs that are under review by the Public Works and Infrastructure standing committee:

- *Solid Waste Management Services*
- *Technical Services*
- *Toronto Water*
- *Transportation Services*

Solid Waste Management Services

Solid Waste Collection

Standing Committee
Public Works and Infrastructure

Cluster
Cluster B

Program
Solid Waste Management Services

Service Type
External Service Delivery

Service Budget ($m)	
Gross	$126.7
Net	-

Rationale for Core and Service Level Assessment

Solid Waste Collection is an essential service.

The diversion rate targeted by the City (47%) reflects the high cost and limited opportunities for landfill disposal, but, it is higher than what other municipalities are targeting and may not be possible given the high proportion of multi-residential housing in Toronto, however the Division indicates it expects to meet this target with forward thinking innovative waste management programs.

Funding is provided solely from User Rates, Fees and Charges – no reliance on Property Tax Base.

Jurisdictional Examples

OMBI report indicates that:

- Toronto receives a high number of garbage collection complaints relative to the median.
- The cost for waste collection in Toronto is lower than other Ontario municipalities, but the cost for disposal is high (though less than some GTA municipalities).
- All comparator municipalities have this service, although three provide it through an ABC and in Barcelona the service is provided by a private sector organization.

Key Opportunities

- Introducing and expanding the contracting of solid waste collection is the most significant cost reduction opportunity.
- Elimination of some small, specialized services like the Toxic Taxi program and Community Environment Days may impact achievement of some program goals.

Solid Waste Collection

Activities								
Activity Name	**Gross Cost ($m)**	**Net ($m)**	**% Net**	**Core Ranking**	**Service Level**	**Source of Standard**	**City Role**	**Notes**
Collect Curbside	70.20	-	0%	2	S+	L/C/F	D/ Mc	• Toxic taxi, household collection of electronic appliances and provisions of bins / containers appears to be higher than standard. • Receives external funding. • Recycling programs are legislated.
Collect Multi Residential	27.47	-	0%	2	S+	L/C/F	D/ Mc	• Toxic taxi and household collection of electronic appliances appears to be higher than standard. • Receives external funding.
Small Commercial Waste Collection	7.0	-	0%	3.5	S	C	D	• Most locations include service to residential units above the commercial.
Litter	18.10	-	0%	2	S	C	D	• Partially contracted out. • Could frequencies be reduced?
Litter Bins and Special Events and Parks	3.18	-	0%	2	S	C	D/ Mc	• This is partially contracted out. • Recently transferred to SWMS.
Customer Drop-Off	0.28	-	0%	2	S	L/C/F	D	• Main means of collecting toxic wastes.
Community Environment Days	0.47	-	0%	4	S	M/F/C	D	• External funding covers the costs. This is the primary program for collection and safe disposal of hazardous wastes.

Solid Waste Collection

Options, Opportunities, Risks and Implications					
Type	**Options and Opportunities**	**Risks and Implications**	**Potential Savings ***	**Timeframe ****	**Barriers**
NCSR	Consider replacing Toxic Taxi with drop off.	Could result in more toxic materials being disposed off improperly.	Low (up to 5%)	2012	Low
NCSR	Consider eliminating community environment days.	Could result in more toxic materials being disposed off improperly, lower participation in recycling activities.	Low (up to 5%)	2012	Low
ASDR	Consider further contracting out of Collection Services.	May meet with resistance. Provisions of the collective agreement may impact potential savings.	Medium (up to 20%)	2013	Medium
NCSR	Consider eliminating the (4) free garbage tag program.	Would increase revenue from bag tag sale and provide additional encouragement to recycle.	Low (up to 5%)	2012	Low
NCSR	Consider elimination of small commercial waste collection.	Largely at locations that already have residential collection, so current approach reasonably efficient. Collective agreement may limit savings. Requires business case analysis.	High (more than 20%)	2012	Low

* "Potential Savings" are relative to the size of the corresponding program/service/activity the option/opportunity relates to, and may include increased revenues to produce lower tax requirements. Savings will accrue to utility rates rather than taxes where noted.
** Timeframe refers to first year in which savings could be realized. Full savings may take longer.

Solid Waste Processing, Transfer and Disposal

Standing Committee
Public Works and Infrastructure

Cluster
Cluster B

Program
Solid Waste Management Services

Service Type
External Service Delivery

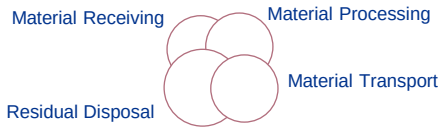
Budget ($m)	
Gross	$198.8
Net	-

Rationale for Core and Service Level Assessment

Solid Waste Processing, Transfer and Disposal is an essential municipal service.
The diversion rate targeted by the City (70%) reflects the high cost and limited opportunities for landfill disposal, but, it is higher than what other municipalities are targeting and may not be possible given the high proportion of multi-residential housing in Toronto, however the Division indicates it expects to meet this target with forward thinking innovative waste management programs.

Funding is provided solely from User Rates, Fees and Charges – no reliance on Property Tax Base.

		Below Standard	At Standard	Above Standard
Core	Mandatory			
	Essential			
Discretionary	Traditional			
	Other			



Jurisdictional Examples

OMBI report indicates that:

- Toronto's diversion rate is lower than the median – 44% verses 47.6%, And the cost of diversion ($343 per ton) is the highest in the province, far higher than the cost of disposal ($111 plus $79 for collection).

Most of the comparator municipalities are responsible for solid waste processing, transfer and disposal. In Barcelona a private company is responsible. Montreal and Boston achieve a 20% diversion rate, Chicago 45%, Philadelphia has a 15.7% rate with a 25% target for 2015, Barcelona achieves 12% diversion.

Key Opportunities

- Toronto has established a very aggressive recycling target, seeking 70% diversion from land fill sites. This derives from the difficulty of finding and developing land fill sites, but is much more aggressive than the targets of other municipalities and will be very difficult (and expensive) to achieve given the high proportion of apartments in Toronto. Despite the challenges of finding landfill sites, landfill is already cheaper than diversion, and the gap will grow as the rate of diversion increases.

Solid Waste Processing, Transfer and Disposal

Activities								
Activity Name	**Gross Cost ($m)**	**Net ($m)**	**% Net**	**Core Ranking**	**Service Level**	**Source of Standard**	**City Role**	**Notes**
Material Receiving	28.05	-	0%	2	S	L/C/F	D	• Division indicates that monthly operations and H/S audits indicated service standards are satisfactory. • No useful information on service level standards and performance.
Material Processing	57.75	-	0%	2	S	L/C/F	Mc	
Material Transport	22.06	-	0%	2	S	L/C/F	D/Mc	• All SSRM, leaf and yard waste, 55% of SSO and 100% of waste transport is contracted out.
Residual Disposal	90.92	-	0%	2	S	L/C	Mc	• Disposal is contracted out. • Gross cost includes $39 M internal transfer for City of Toronto waste disposal.

Solid Waste Processing, Transfer and Disposal

Options, Opportunities, Risks and Implications					
Type	**Options and Opportunities**	**Risks and Implications**	**Potential Savings ***	**Timeframe ****	**Barriers**
SSR	Consider reducing the target rate for diversion and / or setting target rates by category of waste producer.	Reducing the diversion rate will reduce the lifespan of the landfill, and require the City to pursue other, potentially costly disposal options sooner. Cutting back on the diversion target may compromise the City's efforts to obtain a landfill expansion from the Ministry of Environment. However the current diversion rates (47%) are well below the target (70%), and much more intensive efforts will be required to achieve the target. Diversion already costs more per tonne than land filling. Single family diversion rates are currently 63% but those in apartments much lower, and apartment rates harder to increase. Expenditures will have to increase significantly if the target is to be achieved, or even approached. The financial impact of the options require careful business case analysis, and business case for the current target has not been established.	Medium (up to 20%)	2013	High
SSR	Expansion of "Drop and Load" at transfer stations.	Would improve net cost to rate payers, but may lead to "push-back" from private sector transfer operators.	Low (up to 5%)	2012	Low
ASDR	Outsource facility security services.	None identified.	Low (up to 5%)	2012	Low
ASDR	Outsource grass cutting.	None identified.	Low (up to 5%)	2012	Low

* "Potential Savings" are relative to the size of the corresponding program/service/activity the option/opportunity relates to, and may include increased revenues to produce lower tax requirements. Savings will accrue to utility rates rather than taxes where noted.
** Timeframe refers to first year in which savings could be realized. Full savings may take longer.

Public Education, Revenue Generation, Contract Management *

Standing Committee
Public Works and Infrastructure

Cluster
Cluster B

Program
Solid Waste Management Services

Service Type
External Service Delivery

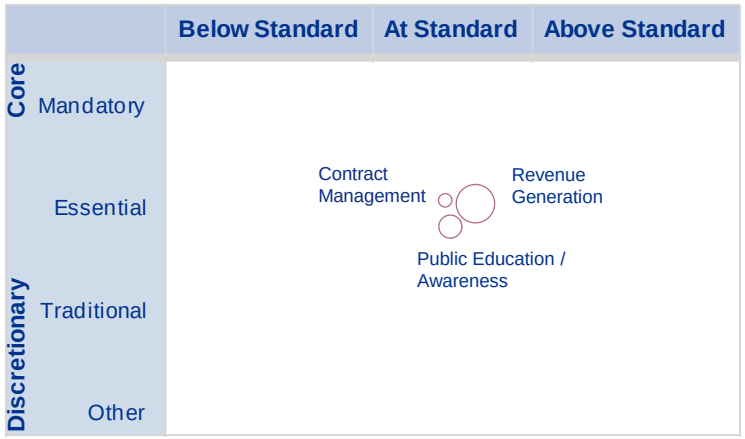
Budget ($m)	
Gross	$12.0
Net	-

* The three services listed are individual services in the Solid Waste Management Services program. The figure shown in the budget box above is the combined budget . Individual service are assessed in the table on the next page.

Rationale for Core and Service Level Assessment

Solid Waste Management program is an essential service and these services are important components.

Funding is provided solely from User Rates, Fees and Charges – no reliance on Property Tax Base.



Jurisdictional Examples

All municipalities provide some public education component. Some still include solid waste costs on the property tax, but there is a tendency to treat it more as a utility. Strengthening the financial accountability for the amount of residual not recycled is a best practice that improves recycling rates.

Key Opportunities

- The review did not identify opportunities for elimination of services or reduction of service levels.

Public Education, Revenue Generation, Contract Management

Services								
Service Name *	**Gross Cost ($m)**	**Net ($m)**	**% Net**	**Core Ranking**	**Service Level**	**Source of Standard**	**City Role**	**Notes**
Public Education / Awareness	2.99	0	0%	2	S	M/C	D	
Revenue Generation	7.49	0	0%	2	S	C	D	
Contract Management	1.54	0	0%	2	S	C	D	

* Note: The table above contains three separate services which should not be confused with the 'Activities' listed in most tables

Options, Opportunities, Risks and Implications					
Type	**Options and Opportunities**	**Risks and Implications**	**Potential Savings ***	**Timeframe ****	**Barriers**
-	None identified	-	-	-	-

* "Potential Savings" are relative to the size of the corresponding program/service/activity the option/opportunity relates to, and may include increased revenues to produce lower tax requirements. Savings will accrue to utility rates rather than taxes where noted.
** Timeframe refers to first year in which savings could be realized. Full savings may take longer.

Technical Services

Engineering Review and Approval

Standing Committee
Public Works and Infrastructure

Cluster
Cluster B

Program
Technical Services

Service Type
Internal Support Services

Service Budget	
Gross	$8.9
Net	$4.2

Rationale for Core and Service Level Assessment

Engineering Review and Approval is a necessary support service required to operate the City.

Engineering Review and Approval service levels are not being achieved or service standards have not been indentified.

Note: * denotes that bubble position is not reflective of service level – data not available.

Jurisdictional Examples

Key Opportunities

- Technical Services generally does not meet its performance standards and may benefit from process improvement to achieve service level standards.

Engineering Review and Approval

Activities								
Activity Name	**Gross Cost ($m)**	**Net ($m)**	**% Net**	**Core Ranking**	**Service Level**	**Source of Standard**	**City Role**	**Notes**
Engineering Applications Review	7.07	3.56	50%	2	B	M/C/F	D	Reviews completed past target timeframe.
Quality Assurance/ Compliance	1.80	0.6	33%	2	No Data	No Data	D	Service Standards to be developed.

Options, Opportunities, Risks and Implications					
Type	**Options and Opportunities**	**Risks and Implications**	**Potential Savings ***	**Timeframe ****	**Barriers**
RE	Consider process improvements to achieve standard levels.	None identified.	Low (up to 5%)	2013	Low

* "Potential Savings" are relative to the size of the corresponding program/service/activity the option/opportunity relates to, and may include increased revenues to produce lower tax requirements. Savings will accrue to utility rates rather than taxes where noted.
** Timeframe refers to first year in which savings could be realized. Full savings may take longer.

Engineering Policies, Standards and Support

Standing Committee
Public Works and Infrastructure

Cluster
Cluster B

Program
Technical Services

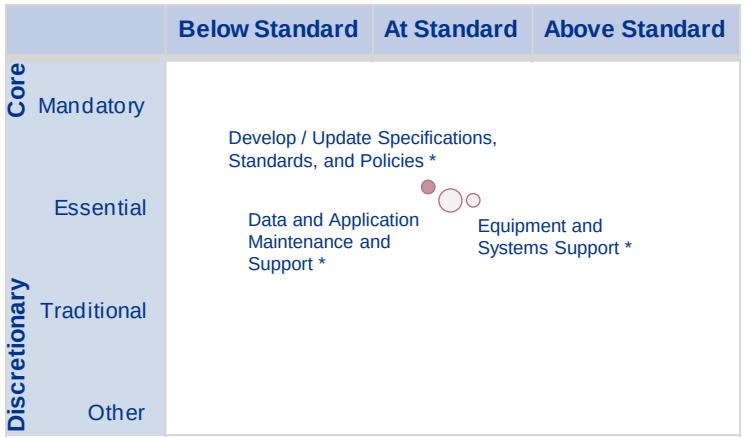
Service Type
Internal Support Services

Service Budget	
Gross	$5.6
Net	$2.3

Rationale for Core and Service Level Assessment

Engineering Policies, Standards and Support is an essential support service required to run and operate the City.

Engineering Policies, Standards and Support service standards have not been indentified.



Note: * denotes that bubble position is not reflective of service level – data not available.

Jurisdictional Examples

Key Opportunities

- Technical Services needs to develop service standards for this service so accountability can be established.

Engineering Policies, Standards and Support

Activities								
Activity Name	Gross Cost ($m)	Net ($m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
Develop / Update Specifications, Standards, and Policies	1.24	1.1	89%	2	No Data	No Data	D	• Service Standard to be developed.
Data and Application Maintenance and Support	3.17	0.89	28%	2	No Data	No Data	D/Mc	• Service standard not reported/tracked.
Equipment and Systems Support	1.2	0.33	28%	2	No Data	No Data	D/Mc	• Service Standard to be developed.

Options, Opportunities, Risks and Implications					
Type	Options and Opportunities	Risks and Implications	Potential Savings *	Timeframe **	Barriers
SLR	Consider developing and implementing service level standards.	Without established service levels, providers cannot be kept accountable.	Low (up to 5%)	2013	Low

* "Potential Savings" are relative to the size of the corresponding program/service/activity the option/opportunity relates to, and may include increased revenues to produce lower tax requirements. Savings will accrue to utility rates rather than taxes where noted.
** Timeframe refers to first year in which savings could be realized. Full savings may take longer.

Municipal Infrastructure Design and Construction

Standing Committee
Public Works and Infrastructure

Cluster
Cluster B

Program
Technical Services

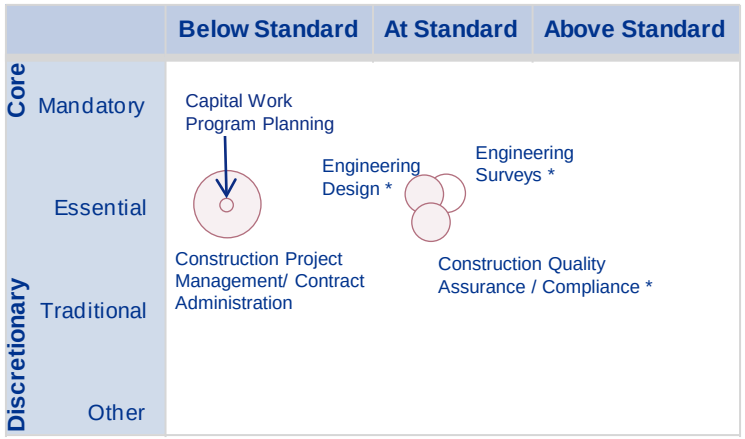
Service Type
Internal Support Services

Service Budget	
Gross	$43.3
Net	$1.6

Rationale for Core and Service Level Assessment

Municipal Infrastructure Design and Construction is an essential support service required to run and operate the City.

Municipal Infrastructure Design and Construction service levels are not consistently achieved or standards have not been indentified.



Note: * denotes that bubble position is not reflective of service level – data not available.

Jurisdictional Examples

Key Opportunities

- Technical Services needs to develop service standards for this service so accountability can be established.
- More extensive use of contract resources may help address requirements that vary over time.

Municipal Infrastructure Design and Construction

Activities								
Activity Name	**Gross Cost ($m)**	**Net ($m)**	**% Net**	**Core Ranking**	**Service Level**	**Source of Standard**	**City Role**	**Notes**
Capital Work Program Planning	0.31	0.06	18%	2	B	C	D/Mc	• Service levels being phased in.
Engineering Surveys	9.09	-0.03	0%	2	No Data	M	D//Mc	• Service standard not reported/tracked.
Engineering Design	5.73	0.62	11%	2	No Data	M	D//Mc	• Service standard not reported/tracked.
Construction Quality Assurance / Compliance	7.84	0.52	7%	2	No Data	No Data	D/Mc	• Service Standard to be developed.
Construction Project Management/ Contract Administration	20.3	0.46	2%	2	B	M/C	D/Mc	• Under target completion rate.

Options, Opportunities, Risks and Implications					
Type	**Options and Opportunities**	**Risks and Implications**	**Potential Savings ***	**Timeframe ****	**Barriers**
SLR	Consider developing and implementing service level standards where they do not exist.	Without established service levels, providers cannot be kept accountable.	Low (up to 5%)	2013	Low
ASDR	Consider further use of third party vendors for both job contracting as well as alternate delivery models such as program management through external consultants.	Expands short term capacity when needed but requires new organizational skills such as vendor and contract management.	Low (up to 5%)	2013	Low

* "Potential Savings" are relative to the size of the corresponding program/service/activity the option/opportunity relates to, and may include increased revenues to produce lower tax requirements. Savings will accrue to utility rates rather than taxes where noted.
** Timeframe refers to first year in which savings could be realized. Full savings may take longer.

Land Surveys and Mapping

Standing Committee
Public Works and Infrastructure

Cluster
Cluster B

Program
Technical Services

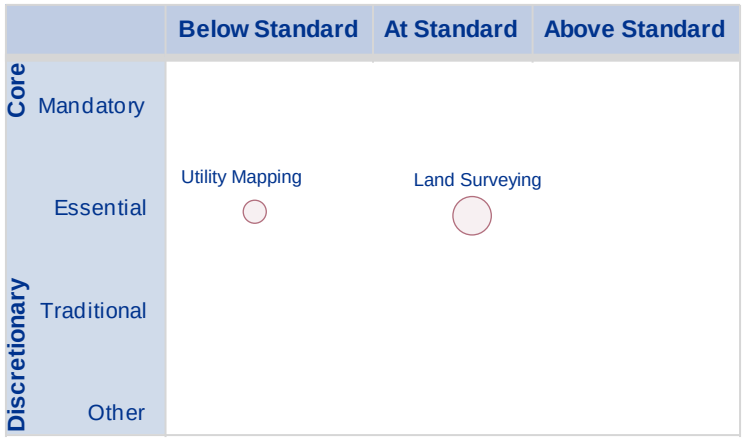
Service Type
Internal Support Services

Service Budget	
Gross	$8.5
Net	$2.1

Rationale for Core and Service Level Assessment

Land Surveys and Mapping is an essential support service required to run and operate the City.

Land Surveys service standards are being achieved while Utility Mapping service levels are not.



Jurisdictional Examples

Key Opportunities

- Technical Services needs to develop service standards for this service so accountability can be established.
- More extensive use of contract resources may help address requirements that vary over time.

Land Surveys and Mapping

Activities								
Service/Activity Name	Gross Cost ($m)	Net ($m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
Land Surveying	5.78	1.33	23%	2	S	M/IS	D	
Utility Mapping	2.73	0.75	28%	2	B	M/F	D	• Completing work outside of target time frame.

Options, Opportunities, Risks and Implications					
Type	Options and Opportunities	Risks and Implications	Potential Savings *	Timeframe **	Barriers
RE	Consider process improvements to achieve standard levels.	None identified.	Low (up to 5%)	2013	Low
ASDR	Consider third party support for mapping or surveying.	Expands short term capacity when needed but requires new organizational skills such as vendor and contract management.	Low (up to 5%)	2013	Low

* "Potential Savings" are relative to the size of the corresponding program/service/activity the option/opportunity relates to, and may include increased revenues to produce lower tax requirements. Savings will accrue to utility rates rather than taxes where noted.
** Timeframe refers to first year in which savings could be realized. Full savings may take longer.

Toronto Water

Toronto Water

Water Treatment and Supply

Standing Committee
Public Works and Infrastructure

Cluster
Cluster B

Program
Toronto Water

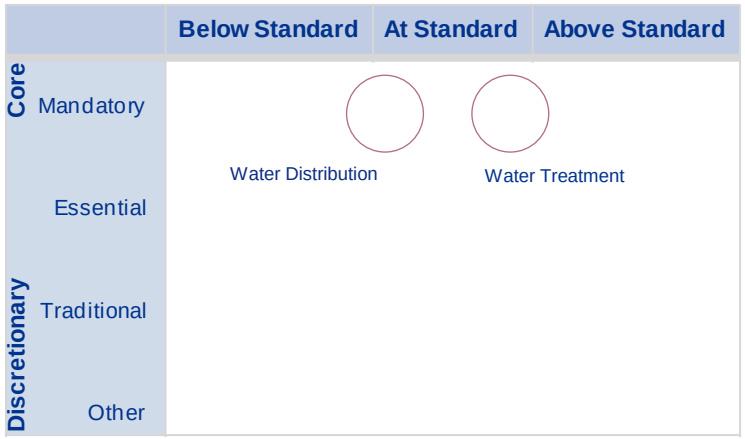
Service Type
External Service Delivery

Service Budget ($m)	
Gross	$172.2
Net	-

Rationale for Core and Service Level Assessment

Provision of safe, potable water is an essential service. As the City is the owner of the water treatment and supply system, it is mandatory to comply with the Safe Drinking Water Act and its associated regulations.

Funding is provided solely from User Rates, Fees and Charges – no reliance on Property Tax Base.



Jurisdictional Examples

OMBI indicates that Toronto's cost of water treatment is relatively low , while the cost of water distribution is very high, likely due to a relatively high number of water main breaks.

The comparator cities all have water systems. Some have a utility ABC to operate the system, particularly where it serves more than one municipality (Montreal, Melbourne).

The Division reports that:

- Toronto Water implemented a major restructuring at its treatment plants and district yards over the past few years.
- The Works Best Practices Program (WBPP) introduced new technologies in the treatment plants and water pumping stations. This reduced staffing levels by 532 position and provided a sustained annual savings of $35 million.
- The District Services Improvement Program (DSIP) harmonized and amalgamated the district operations. This reduced staffing by 106 positions and provided sustained annual savings of $10 million.

Key Opportunities

- The fluoridation of drinking water could be eliminated, with impacts on dental health.
- Toronto Water can continue its restructuring program (WBPP and DSIP) improving efficiency across Toronto Water services.

Water Treatment and Supply

Activities								
Activity Name	**Gross Cost ($m)**	**Net ($m)**	**% Net**	**Core Ranking**	**Service Level**	**Source of Standard**	**City Role**	**Notes**
Water Distribution	80.24	0	0%	1	S-	L/IS	D	• Frequent water main breaks impacts customers and drives up costs.
Water Treatment	91.99	0	0%	1	S+	L/M	D	• Water quality is high and costs are low.

Options, Opportunities, Risks and Implications					
Type	**Options and Opportunities**	**Risks and Implications**	**Potential Savings ***	**Timeframe ****	**Barriers**
NCSR	Consider eliminating fluoridation of Toronto water.	It is very likely that dental health of Toronto residents would decline.	Low (up to 5%) [to rates]	2013	Low
RE	Continue implementing the final elements of the WBPP and DSIP restructuring to ensure additional efficiencies are obtained.	Need to ensure that staffing levels remain sufficient to operate the water treatment and supply system in compliance with the Safe Drinking Water Act and associated regulations.	Low (up to 5%) [to rates]	2012	Low

* "Potential Savings" are relative to the size of the corresponding program/service/activity the option/opportunity relates to, and may include increased revenues to produce lower tax requirements. Savings will accrue to utility rates rather than taxes where noted.
** Timeframe refers to first year in which savings could be realized. Full savings may take longer.

Wastewater Collection and Treatment

Standing Committee
Public Works and Infrastructure

Cluster
Cluster B

Program
Toronto Water

Service Type
External Service Delivery

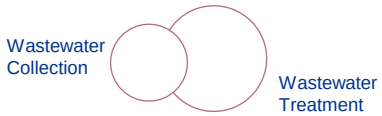
Service Budget ($m)	
Gross	$201.1
Net	-

Rationale for Core and Service Level Assessment

Wastewater collection and treatment is essential to public health. As the City is the owner of the waste water collection and treatment system, it is mandatory to comply with the Ontario Water Resources Act and the Nutrient Management Act (and the associated regulations).

Funding is provided solely from User Rates, Fees and Charges – no reliance on Property Tax Base.

		Below Standard	At Standard	Above Standard
Core	Mandatory			
	Essential			
Discretionary	Traditional			
	Other			



Jurisdictional Examples

OMBI indicates Toronto has more frequent back-ups of mains than other municipalities, resulting in higher water water collection costs and contributing to higher than average amounts of waste water bypassing treatment.

Key Opportunities

- The review did not identify opportunities for elimination of services or reduction of service levels.

Wastewater Collection and Treatment

Activities								
Activity Name	Gross Cost ($m)	Net ($m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
Wastewater Collection	62.25	0	0%	2	S-	M/IS	D	• Basement flooding remedies slower than target. • High level of back ups.
Wastewater Treatment	138.8	0	0%	2	S	L	D	

Options, Opportunities, Risks and Implications					
Type	Options and Opportunities	Risks and Implications	Potential Savings *	Timeframe **	Barriers
-	None identified	-	-	-	-

* "Potential Savings" are relative to the size of the corresponding program/service/activity the option/opportunity relates to, and may include increased revenues to produce lower tax requirements. Savings will accrue to utility rates rather than taxes where noted.
** Timeframe refers to first year in which savings could be realized. Full savings may take longer.

Storm Water Management

Standing Committee
Public Works and Infrastructure

Cluster
Cluster B

Program
Toronto Water

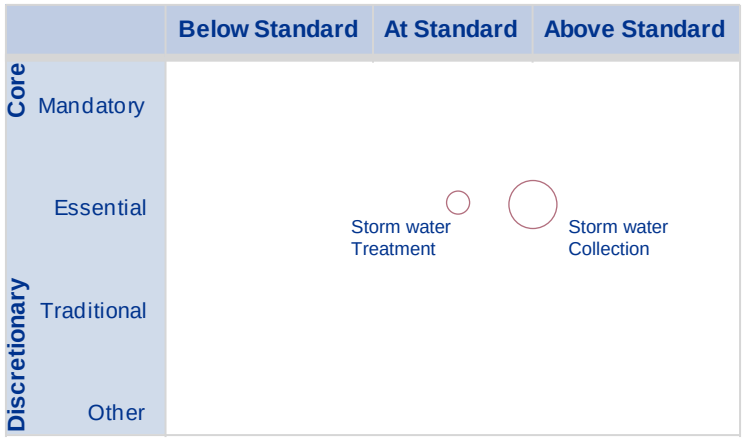
Service Type
External Service Delivery

Budget ($m)	
Gross	$16.7
Net	-

Rationale for Core and Service Level Assessment

Management of storm water is essential to the functioning of the City, and requirements for collection and treatment is increasing to meet standards set by legislation . As the City is the owner of the storm water management system, it is mandatory to comply with the Ontario Water Resources Act (and the associated regulations).

Funding is provided solely from User Rates, Fees and Charges – no reliance on Property Tax Base



Jurisdictional Examples

Requirements for management/treatment of storm water as part of new developments are leading to higher expectations and requirements for areas with existing storm water collection and combined sewer areas.
Requirements for the management and treatment of storm water differs across jurisdictions. In two tier municipalities, the lower tier may be responsible for providing the service and is paid for through property taxes.
Some jurisdictions have implemented a separate user fee system for storm water management that is not tied to water consumption data.
As new developments within the City are required to provide better management/treatment of storm water, there is a higher expectation from existing residents for upgrades to older storm water collection and combined sewer systems.

Key Opportunities

- The review did not identify opportunities for elimination of services or reduction of service levels.

Storm Water Management

Activities								
Activity Name	**Gross Cost ($m)**	**Net ($m)**	**% Net**	**Core Ranking**	**Service Level**	**Source of Standard**	**City Role**	**Notes**
Storm Water Collection	14.09	0	0%	2	S+	L/IS	D	• Costs lower than service level target.
Storm Water Treatment	2.63	0	0%	2	S	L	D	• Storm water can bypass the treatment system during heavy rain storms because of combined sewer overflows

Options, Opportunities, Risks and Implications					
Type	**Options and Opportunities**	**Risks and Implications**	**Potential Savings ***	**Timeframe ****	**Barriers**
-	None identified	-	-	-	-

* "Potential Savings" are relative to the size of the corresponding program/service/activity the option/opportunity relates to, and may include increased revenues to produce lower tax requirements. Savings will accrue to utility rates rather than taxes where noted.
** Timeframe refers to first year in which savings could be realized. Full savings may take longer.

Transportation Services

Road and Sidewalk Maintenance

Standing Committee
Public Works and Infrastructure

Cluster
Cluster B

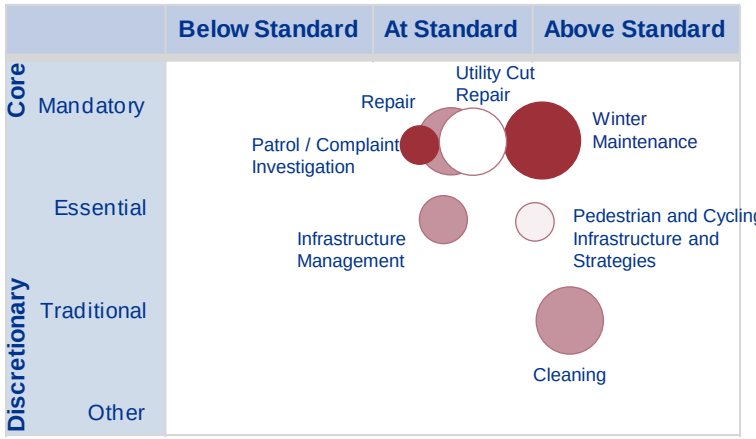
Program
Transportation Services

Service Type
External Service Delivery

Service Budget ($m)	
Gross	$230.3
Net	$144.2

Rationale for Core and Service Level Assessment

City of Toronto Act provides requirements and standards for many types of activities, while some types of activities have standards that are set by council or management directives.



Jurisdictional Examples

OMBI report indicates that relative to other municipalities in Ontario:

- Collision rates are high in Toronto relative to the kilometers travelled.
- Roads in Toronto are in very good condition.
- Winter control costs in Toronto are high.
- Costs are higher per lane kilometer in Toronto than other municipalities in Ontario that receive more snow.
- Costs of road maintenance are high in Toronto.

Calgary recently improved service levels to start plowing after twelve centimeters, whereas Ottawa starts at seven centimeters. Toronto currently starts at eight centimeters for local roads, 5 cms for arterials and 2.5 cms for expressways.

Key Opportunities

- There is an opportunity to eliminate the windrow clearing activity.
- There are opportunities to reduce the level of street sweeping carried out.
- There is a need to reduce the described service level for snow removal to better reflect the service the Division says it provides, e.g. for residential streets, only as they become impassable.
- There is considerable use of contracted forces now, but some adjustments to the use of in-house and contracted forces may reduce costs.
- Reducing bicycle infrastructure development would be consistent with volumes, but many cities are expanding bicycle infrastructure in a similar way.

Road and Sidewalk Maintenance

Activities								
Activity Name	**Gross Cost ($m)**	**Net ($m)**	**% Net**	**Core Ranking**	**Service Level**	**Source of Standard**	**City Role**	**Notes**
Winter Maintenance	85.07	84.84	100%	1.5	S+	L/M	D	• The current service levels are slightly better than the standard for de-icing and plowing, and the standards are higher than the legislated requirements, particularly on expressways and arterials. • Service levels for bike lanes are not being achieved. • Business case to reduce / further contract is part of 2012 budget.
Repair	33.89	26.42	78%	1.5	S *	L/IS/M/ C	D	• (*) indicates that service levels are stated in high-level terms and provide a wide response time (eg. 5 days to 18 months) for various categories (150 types). As such, it is difficult to identity appropriateness of standard and actual service level.
Cleaning	23.60	18.10	77%	3	S+	M/C	D	• Grass cutting standard expressed in relation to funding. • Continuous sweeping appears to be a high standard.
Patrol / Complaint Investigation	5.16	4.72	91%	1.5	S	L/M/IS	D	• Complaint investigation service standard varies by severity/urgency of the complaint.
Utility Cut Repair	54.66	-5.17	-9%	1.5	S	C	D	
Infrastructure Management	19.53	14.31	73%	2	S	L/IS/C	D	• $12 billion asset.
Pedestrian and Cycling Infrastructure and Strategies	8.38	1.03	12%	2	S+	L/M/C	D	• Bicycle Plan and Program are more extensive than warranted by bicycle volumes. • Recoveries are from the street furniture reserve.

Road and Sidewalk Maintenance

Options, Opportunities, Risks and Implications					
Type	**Options and Opportunities**	**Risks and Implications**	**Potential Savings ***	**Timeframe ****	**Barriers**
NCSR	Consider eliminating the windrow clearing program.	Homeowners will have to clear their own lane ways. This may cause inconvenience to elderly or disabled citizens. Ottawa manages this with a program to match volunteers to elderly/disabled homeowners and another to ensure homeowners can buy help if required.	Low (up to 5%)	2012	Medium
SLR	Consider reducing snow plowing and snow removal standards on residential streets.	Negative reaction from residents and increased potential for impassable roads during unusually severe weather conditions.	Low (up to 5%)	2012	Medium
SLR	Conduct a more detailed review of the service level standards and performance for Repairs.	To be determined based on results of service level review.	Low (up to 5%)	2013	Low
SLR	Consider reducing frequency of mechanical and / or manual sweeping.	Most cities provide a spring clean-up, perhaps a fall leaf removal, with no street sweeping through the summer, except for special events or busy arterials. Could result in negative reaction from residents.	Low (up to 5%)	2012	Low
ASDR	Consider shifting the mix of in-house and outsourced service delivery.	This division has a substantial use of contract resources (50% of budget). The range of contracted services can be fine tuned, but changes will not be widespread.	Low (up to 5%)	2012	Low
SLR	Consider reducing the scale of bicycle infrastructure being developed.	This may reduce the incentives/encouragement to cycle, increasing travel by other modes.	Low (up to 5%)	2012	Low

* "Potential Savings" are relative to the size of the corresponding program/service/activity the option/opportunity relates to, and may include increased revenues to produce lower tax requirements. Savings will accrue to utility rates rather than taxes where noted.
** Timeframe refers to first year in which savings could be realized. Full savings may take longer.

Transportation Network Control and Safety

Standing Committee
Public Works and Infrastructure

Cluster
Cluster B

Program
Transportation Services

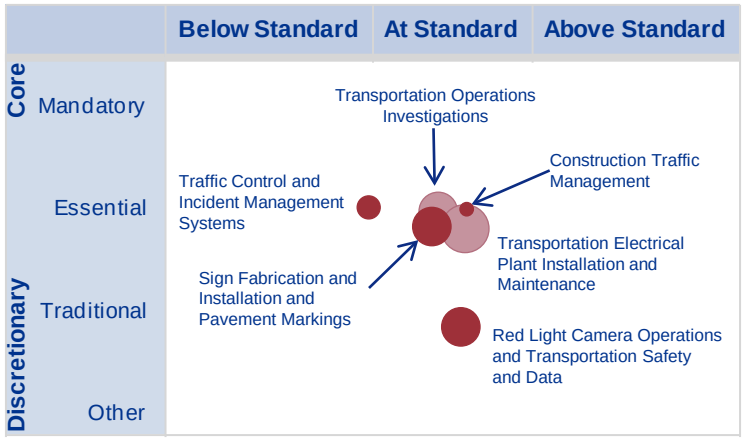
Service Type
External Service Delivery

Service Budget ($m)	
Gross	$48.0
Net	$41.6

Rationale for Core and Service Level Assessment

The traffic control system is an essential element of the transportation system.

Some of the activities are traditionally carried out by municipalities to enhance effectiveness.



Jurisdictional Examples

Key Opportunities

- The review did not identify opportunities for elimination of services or reduction of service levels.

Transportation Network Control and Safety

Activities								
Activity Name	**Gross Cost ($m)**	**Net ($m)**	**% Net**	**Core Ranking**	**Service Level**	**Source of Standard**	**City Role**	**Notes**
Transportation Operations Investigations	7.63	4.87	64%	2	S	L/IS/M/C	D	
Construction Traffic Management	0.89	0.89	99%	2	S	IS	D	• Division reports rapidly increasing demand, with no capacity to increase resource.
Traffic Control and Incident Management Systems	4.94	4.61	93%	2	S-	L/M/C	D	• Signal Timing Request and Complaint Investigation takes longer than service standard.
Transportation Electrical Plant Installation and Maintenance	16.29	14.25	87%	2	S	L/IS/M	D	
Sign Fabrication and Installation and Pavement Markings	11.0	10.31	94%	2	S	L/M	D	• Bike lanes and turning arrows less frequent than standard. • Sign production, for some categories, is quicker than the standard.
Red Light Camera Operations and Transportation Safety and Data	7.22	6.72	93%	3	S	L/IS	D	• Red light camera program is optional, but revenues from resulting fines need to be considered.

Options, Opportunities, Risks and Implications					
Type	**Options and Opportunities**	**Risks and Implications**	**Potential Savings ***	**Timeframe ****	**Barriers**
-	None identified.	-	-	-	-

* "Potential Savings" are relative to the size of the corresponding program/service/activity the option/opportunity relates to, and may include increased revenues to produce lower tax requirements. Savings will accrue to utility rates rather than taxes where noted.
** Timeframe refers to first year in which savings could be realized. Full savings may take longer.

Public Right of Way Management

Standing Committee
Public Works and Infrastructure

Cluster
Cluster B

Program
Transportation Services

Service Type
External Service Delivery

Service Budget ($m)	
Gross	$13.5
Net	-$12.5

Rationale for Core and Service Level Assessment

Municipal management of public, private and utility demands in the public right of way is essential to viability , mobility and delivery of essential utility services.

Municipalities have traditionally allowed events to happen on the street in a controlled manner.

Parking permits accommodate identified community needs.

Jurisdictional Examples

Key Opportunities

- Ensuring all events requiring street closures pay the related fee would reduce the net cost to property tax payers.

Public Right of Way Management

Activities								
Activity Name	**Gross Cost ($m)**	**Net ($m)**	**% Net**	**Core Ranking**	**Service Level**	**Source of Standard**	**City Role**	**Notes**
Parking Permits	4.00	-12.50	-313%	4	S	M	D	• This activity generates revenue.
Construction Permits (Private Parties)	4.40	-2.80	-63%	2	S	C/IS	D	• Some question of ability to maintain service in light of added volumes.
Development Review	3.10	2.10	68%	2	S	C/M	D	
Street Events	2.00	0.70	35%	3	S	C	D	• Only partial cost recovery at present.

Options, Opportunities, Risks and Implications					
Type	**Options and Opportunities**	**Risks and Implications**	**Potential Savings**	**Timeframe ** **	**Barriers**
SSR	Consider collecting fees from all street events permits issued to ensure full cost recovery.	Some event organizers have become accustomed to having fees waived.	Medium (up to 20%)	2012	Medium

* "Potential Savings" are relative to the size of the corresponding program/service/activity the option/opportunity relates to, and may include increased revenues to produce lower tax requirements. Savings will accrue to utility rates rather than taxes where noted.
** Timeframe refers to first year in which savings could be realized. Full savings may take longer.

cutting through complexity™