

RE: EX12.2q



Office of the Treasurer

Service Level Review

Government Management Committee Presentation
June 15, 2015

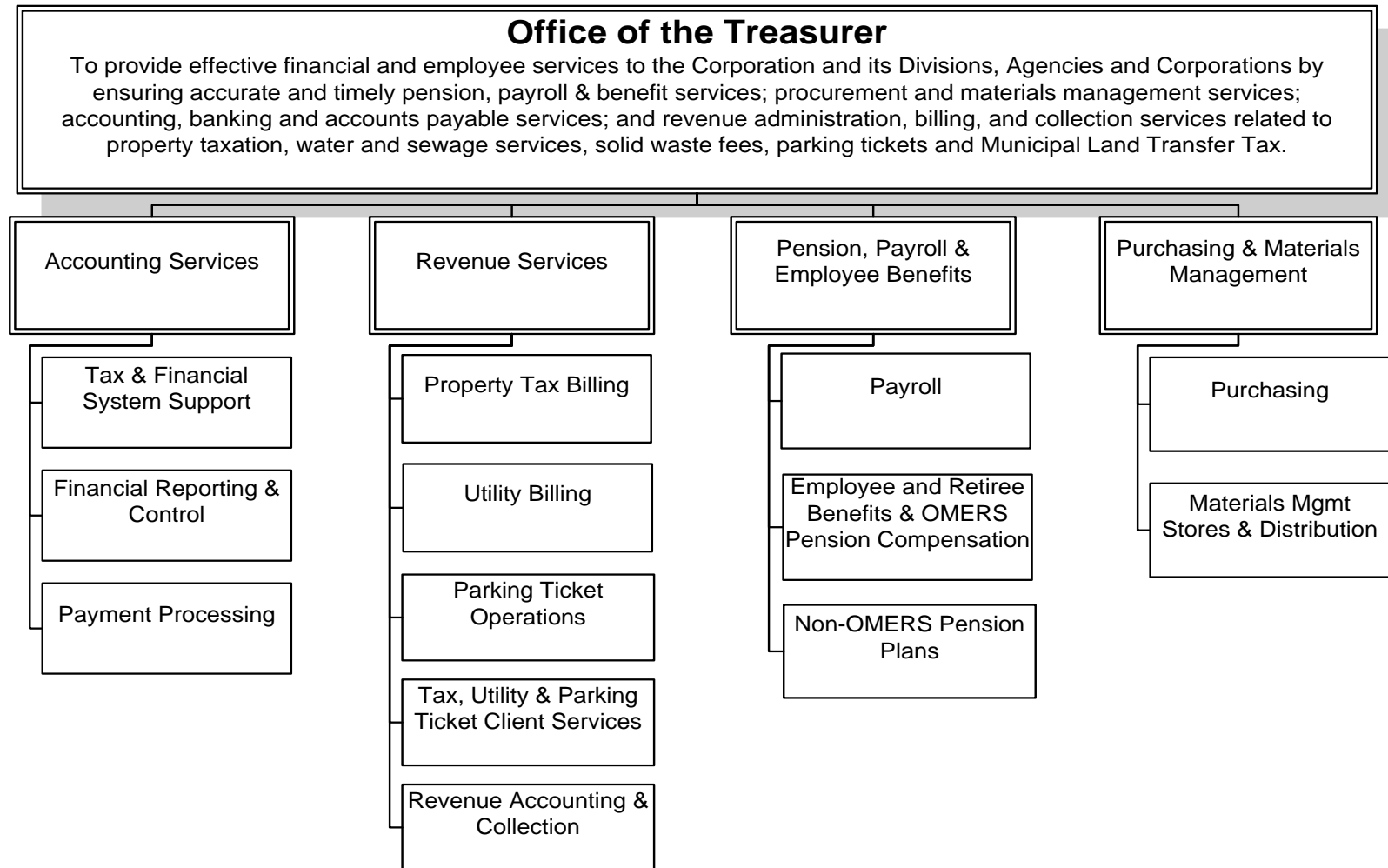
Overview

- Recommended Service Levels by Program
 - Program Map
 - Program Overview
 - Service Levels and Service Performance
 - Key Challenges
 - Opportunities and Priority Actions



Office of the Treasurer

2015 Program Map



Program Overview

- Process over 500,000 invoices annually, paying out in excess of \$10 billion per year to vendors, governments & agencies
- Administer over 786,000 property tax accounts, processing 1.5 million tax bills annually, with revenues of \$5.9 billion (City & Education)
- Process 2.6 million parking tickets with revenues of \$92 million
- Administer 490,000 utility accounts, processing 1.5 million utility bills with revenues of \$870 million
- Administer 50,000 MLTT transactions (\$432M in revenue for 2014)
- Process *816,000 pay cheques and 94,500 pension cheques
* (27 Pays in 2014 for B2 & B3)



Program Overview

- Manage a \$214 million employee benefits plan
- Administer 5 Pre-OMERS Pension Plans with assets of approximately \$1.7 billion
- Procure on average \$1.5 billion of goods and services per year
- Process approximately 1,800 purchase orders/blanket contracts annually
- Manage corporate warehouse inventory flow valued at \$6.6 million
- Process 69,000 issues of corporate warehouse goods from City stores



Key Service Levels – 2012 - 2015

Service Level Description		2012	2013	2014	2015 to Apr 30
Accounting Services					
Journal Entries	Approved	99% Processed within 2 days			
	Actual	99%	99%	99%	99%
Accounts Payable - 90% of payments made within 60 days	Approved	99% Processed within 2 days			
	Actual	90%	87%	88%	90%
Pcard spending	Approved	Maintain Pcard program while addressing AG compliance matters			Spend, stretch target \$15M
	Actual		\$7.3M	\$9.4M	\$3.4M
HST Additional rebates re employee benefits, pensions, insurance, misc	Approved	completion of procedures to maximize additional rebate and input tax credits			
	Actual		\$2.3M	\$2.3M	\$0.8M
Completion of annual consolidated financial statements	Approved & actual	Completed prior to June 30th		Completed prior to June 10th	
Completion of annual provincial Financial Information Return (FIR)	Approved & actual	Completed prior to August 31st		Completed prior to July 31st	

Key Service Levels – 2012 - 2015

Service Level Description		2012	2013	2014	2015 actuals to April 30/15
Revenue Services					
Parking Ticket Processing	Approved	99.5% process within legislated timeframe			
	Actual	99.85%	99.89%	99.9%	99.9%
Residential Assessment Appeals	Approved	100% processed within 30 days following receipt of Assessment Review board (ARB) Decision			
Revenue Accounting & Collection	Approved	90% of cheques processed within 3 days			95% of cheques processed within 3 days
	Actual	91.5%	94.2%	95.1%	95.0%
Counter Operations - Average wait time for tax/utility and parking ticket transactions	Approved	Average wait time of less than 10 minutes for tax/utility and parking ticket transactions			Average wait time of less than 7 minutes for tax/utility and parking ticket transactions
	Actual	5.6 minutes	7.0 minutes	5.0 minutes	2.5 minutes
Contact Centre - Telephone Inquiry	Approved	Average wait time on hold of 10 minutes or less			
	Actual	9.8 minutes	11.4 minutes	9.9 minutes	7.5 minutes

Key Service Levels – 2012 - 2015

Service Levels

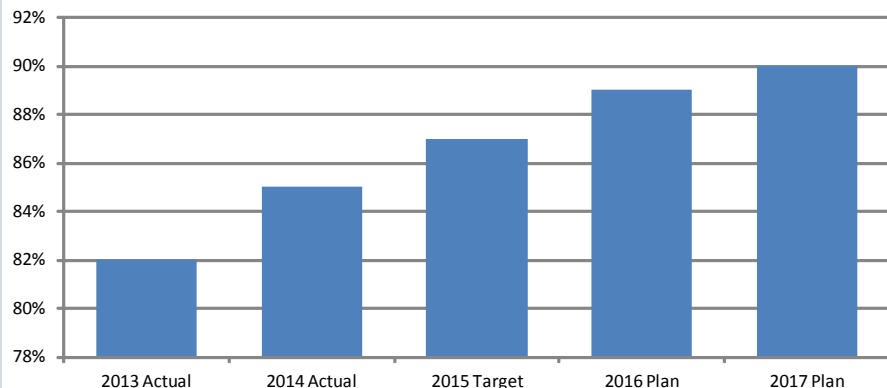
Service Level Description		2012	2013	2014	2015 (as of May 22)
Pension, Payroll & Employee Benefits					
Employee Benefits & OMERS Pension Administration	Approved	Maintain benefits & pension plans to 39,720 active, inactive employees and retirees (with benefits) 100% of the time	Maintain benefits & pension plans to 39,673 active, inactive employees and retirees (with benefits) 100% of the time	Maintain benefits & pension plans to 39,665 active, inactive employees and retirees (with benefits) 100% of the time	Maintain benefits & pension plans to 38,764 active, inactive employees and retirees (with benefits) 100% of the time
Benefits & Pension Management Reporting	Approved	Bi-weekly reports will be made available to management within 2 days of the pay date and monthly reports by the end of the following month, with 100% accuracy.			
Payroll Administration	Approved	Payroll cheque/direct deposit/statements available to 30,235 employees (include Rec. Workers) on scheduled pay dates 100% of the time.			Payroll cheque/direct deposit/statements available to 30,235 employees (include Rec. Workers) on scheduled pay dates 100% of the time.
Payroll Management Reporting	Approved	Reports posted within 2 days of pay date with 100% accuracy			

Key Service Levels – 2012 - 2015

Service Level Description					
Purchasing & Materials Management		2012 Actuals	2013 Actuals	2014 Actuals	2015 Actuals to April 30
Materials Management & Stores Distribution	Approved	Materials delivered within 5 business days			
	Actual	88.5%	90.0%	65.6%	35.7%
Inventory Turnover Rate	Approved	Inventory turnover at a rate of 5.0 times/year		Inventory turnover at a rate of 4.5 times/year	Inventory turnover at a rate of 4.25 times/year
	Actual	5.8	3.82	3.44	1.22
Sole Source Procurement	Approved	100% Compliance with council Policy on Sole Source			
	Actual	95.6%	95.9%	97%	97%
Call Documents	Approved	100% issued within 2-5 days of receipt of final approval from Client Division			
	Actual	82%	90%	89%	94%

Key Performance Measures

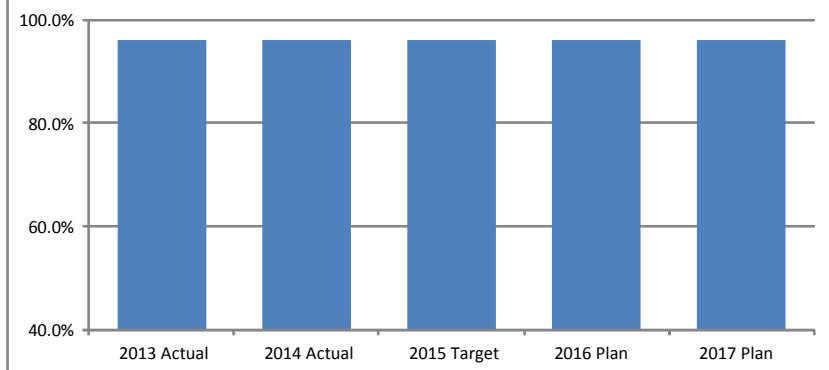
Early Payment Discounts Earned as a % of Discounts Available



Trend:

- Discounts of \$1.2 million were captured in 2014. Early payment discounts in 2014 increased by \$0.2 million from 2013. Accounting Services, Purchasing & Materials Management, and City Divisions continue to work with vendors to capitalize on early payment discount opportunities resulting in an increased capture rate for discounts. Discounts captured to April 30/15: \$376,575

% of Tax Accounts Paid in Full at Year End

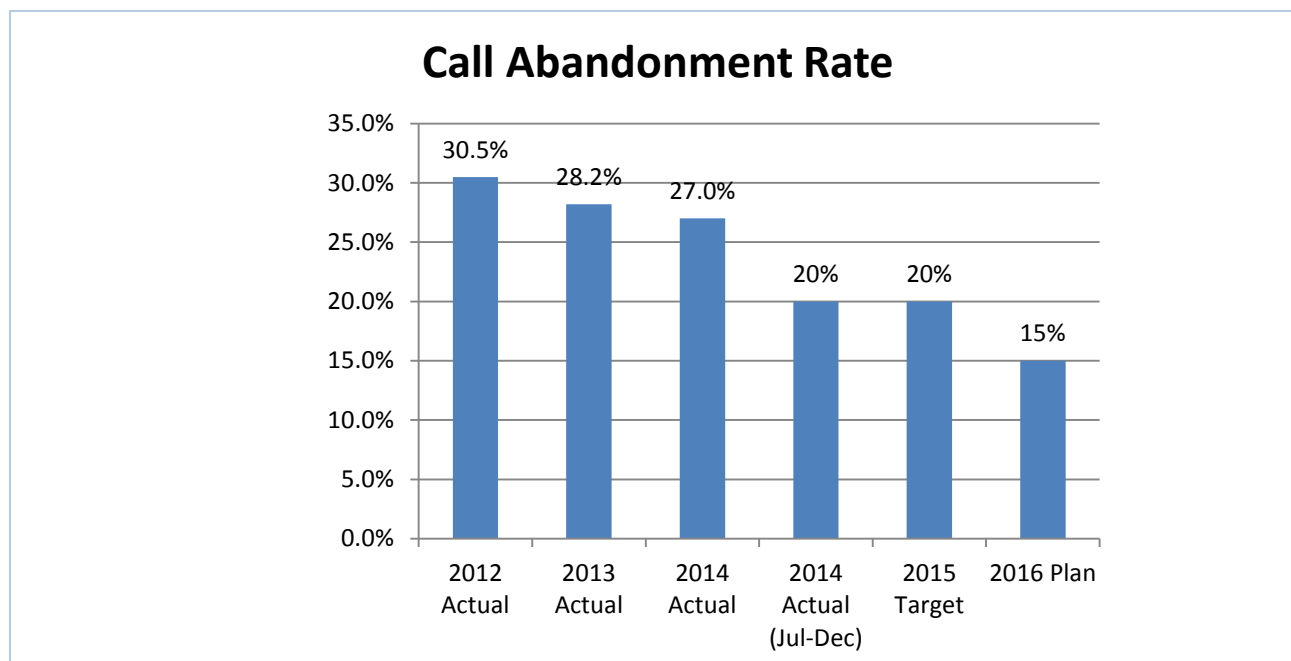


Trend:

- The percentage of tax accounts paid in full each year from 2012 through 2014 has remained at 96%. This trend is expected to continue in 2015 through 2017 as economic conditions are not expected to change over the next 3 years.



Key Performance Measures

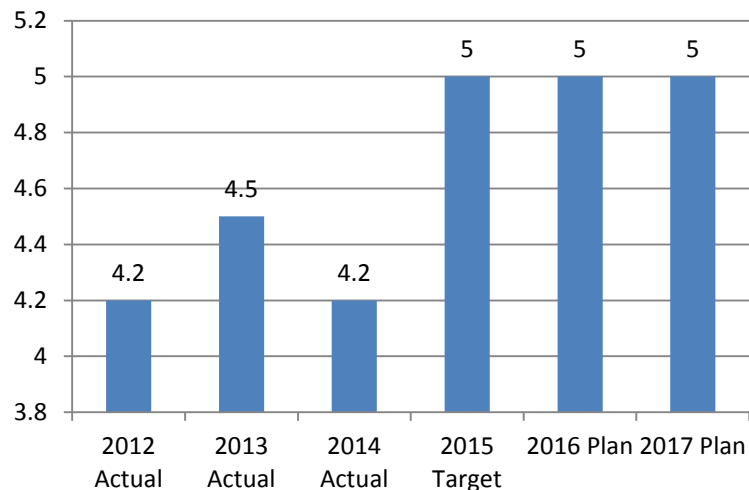


Trend:

- Call abandonment rate identifies the number of callers in queue that hang up before being connected to Call Centre personnel. For 2014, the overall call abandonment rate was 27%. However, the call abandonment rate for the July-Dec period was 20% and achieved the target set for 2014. For January – April 2015 the actual observed rate is 21.3%, slightly above the 20% target for 2015. It is expected that increased staffing levels in 2015, new Interactive Voice Response (IVR) technology and the launch of on-line lookup services for property tax and utility will help to continue to reduce overall abandonment rates. Revenue Services Call Centre is also consolidating with 311 later in 2015, which will expand coverage to 24/7.

Key Performance Measures

Average number of bids received per bid call



Trend:

PMMD has set a target of receiving an average of 5 responses per call. In 2012, PMMD received 4.20 responses per call. The number of bids received per call has increased in 2013 to 4.5 and decreased slightly to 4.20 in 2014. PMMD is exploring ways to reach the target of an average of 5 responses per call, including potentially a new call document distribution system to allow for electronic submissions for city procurements and other enhancements.

Actuals for the average number of bids received per call is at 4.34 as at April 30, 2015.



Key Challenges

- Complex and highly legislated environment:
 - ✓ Emerging legislative changes including upcoming Comprehensive Economic Trade Agreement resulting in changes to the Purchasing By-law and related Procurement policies
 - ✓ Property tax legislation
 - ✓ Harmonized sales tax and commodity tax legislation
 - ✓ Payroll legislation, including Canada Revenue Agency
 - ✓ Pension legislation
 - ✓ Accounting legislation



Key Challenges

- Changing customer demographics:
 - ✓ Increased demand for automation and access through voice, internet, social media
 - ✓ Continuing demand from an aging customer base, via traditional modes
- Integrating Tax and utility calls with the 311 call centre
- Automation requirements to meet increasing information technology demands
- Resource constraints, lack of capacity to address corporate or specific Division initiatives
- Collective bargaining agreement limitations



Opportunities

- Continue to Transform Business Process.
 - ✓ Continue and begin upgrades to Systems & Technology Platforms such as Employee Self Service Portal/Management Self Service Portal and Time and Attendance
 - ✓ Modernize and introduce on-line self service options (Property Tax, Utility and Parking Ticket Look-up, ESS/MSS)
 - ✓ Continue to support the sustainment, improvement and protection of the integrity of the City's financial system (SAP), including testing, training, user support, and system upgrades
 - ✓ Support and participate in the development of the reporting and analysis capabilities of the Business Intelligence Tools
 - ✓ Modernize the supply chain management technology
 - ✓ Conduct a program Review of PMMD to identify organizational and business process changes.



Opportunities

- Participate in development of multi-year Shared Service implementation plan for payroll and procurement, determine the most efficient and effective ways to deliver services, and continue working with Agencies and Corporations to identify cooperative opportunities
- Review of the Tax and Utility billing systems to ensure that current and future business needs are met
- Participate on strategic bargaining discussions and prepare benefit proposals and costing to support the bargaining teams



Priority Actions

- Continue to automate Accounts Payable, banking and accounts receivable processes to improve process efficiencies, and provide better service to Divisions, customers, and vendors
- Increased use of pcard, a very efficient and transparent purchasing and/or payment process
- Continued development of self service electronic delivery options, such as On-line Look-up for Utility and Property Tax Accounts; on-line ordering of property tax and utility certificates, on-line look up service for parking ticket court dates and parking ticket status
- Continued strategies for call centre service level optimization, post 311 initiative



Priority Actions

- Enhanced functionality for Employee Self Service (ESS) and Manager Self-Service (MSS)
- Continue the time and attendance project and plan for future roll outs
- Re-engineering PMMD service delivery to become better positioned to take on strategic sourcing and shared services, to implement new technology, and optimize materials management
- Enhance the Procurement by-law and policies through the adoption of a social procurement policy and to make appropriate changes to reflect upcoming trade agreements
- Enhance contractor performance for City Divisions through the development of new contractor evaluation tools





Thank You

