



*cutting through complexity™*

# City of Toronto Core Services Review

Standing Committee Summary

***Government Management-  
Cluster A and B***

# Government Management – Cluster A and B

## Introduction

This section summarizes our findings for the programs in Cluster A and B under the Government Management standing committee which include:

- 311
- Court Services
- Policy, Planning, Finance and Administration
- Social Development, Finance and Administration

### Core Ranking

94% of the Cluster A and B services budget that fall under the Government Management are either mandatory or essential. 6% of services are traditional or other discretionary which include 311 development and organizational effectiveness services.

### Service Levels

All services are currently reported as delivering at or below standard.

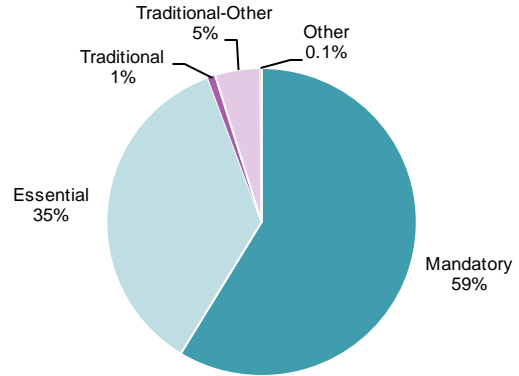


Figure 1: Core Ranking of Program Budgets (gross)

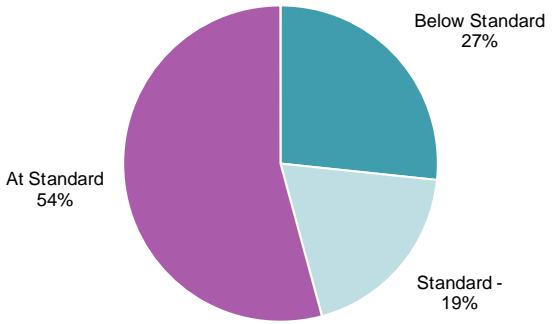


Figure 2: Service Level Ranking of Program Budgets (gross)

# Government Management – Cluster A and B

## Core Ranking

**Strategic Option:**

Distribution of Program Cost (gross) by Core Ranking							
Program Name	Gross Budget (\$ m)	Mandatory	Mandatory – Essential	Essential	Traditional	Traditional – Other	Other
311	19.0	-	-	14.4	-	4.6	-
Court Services	54.3	54.3	-	-	-	-	-
Policy, Planning, Finance & Administration	21.0	4.9	-	15.0	0.8	0.1	0.2
Social Development, Finance & Administration	6.4	-	-	6.4	-	-	-

**Key Non Core Serviced Options**

- 311 Development is a traditional-other service that can be phased out once the 311 model is fully implemented
- Some organizational effectiveness activities can be provided by an external vendor

# Government Management – Cluster A and B

## Service Level

### Alternate Service Delivery Option

The city has a major opportunity to consolidate Finance and Administration functions across the divisions into a single shared service organization in order to lower overall service delivery costs

Distribution of Program Cost (gross) by Service Level						
Program Name	Gross Budget (\$ m)	Below Standard	Standard -	At Standard	Standard +	Above Standard
311	19.0	-	13.1	5.9	-	-
Court Services	54.3	26.9	0.5	26.9	-	-
Policy, Planning, Finance & Administration	21.0	-	5.7	15.4	-	-
Social Development, Finance & Administration	6.4	-	-	6.4	-	-

### Key Service Level Reduction Options

- No service levels exceeded service level standards

# Government Management – Cluster A and B

## List of Opportunities 1/3

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 & Implications	Barriers
• 311 • 311 • 311 General Enquiry	10.8	6.7	ASDR	Consider outsourcing some 311 activities to the private sector	Low (up to 5%)	2013	Medium	Low
• 311 • 311 • 311 Development	4.61	0.8	NCSR	Consider reducing or eliminating the 311 Development capacity once the model is fully implemented	High (more than 20%)	2014+	Low	Low
• 311 • 311 • 311 Service Processing	0.4	0.3	SSR	Consider expanding the range of call centre services that 311 provides to client divisions	Low (up to 5%)	2013	Medium	Low
• 311	19.1	9.7	SSR	May be some opportunities in combining with 211	Low (up to 5%)	2013	Medium	Low
• 311	19.1	9.7	SSR	Consider developing one-stop counter service for access to a wide range of municipal services	Low (up to 5%)	2013	Medium	Low
• Court Services	54.3	-12.3	RE	Consider seeking legislative change to allow higher fees and streamlining of court operations.	Low (up to 5%)	2014+	High	High

\*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.

# Government Management – Cluster A and B

## List of Opportunities 2/3

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 & Implications	Barriers
<ul style="list-style-type: none"> <li>• Policy, Planning, Finance &amp; Administration</li> <li>• Financial Management</li> </ul>	8.7	2.6	RE	Consider opportunities to use technology to automate manual processes (Example: electronic approvals / signatures, interfaces between SAP and other systems / processes)	Low (up to 5%)	2014	Low	Low
<ul style="list-style-type: none"> <li>• Policy, Planning, Finance &amp; Administration</li> <li>• Financial Management</li> </ul>	8.7	2.6	ASDR	Consider forming a single shared service organization for Finance	Medium (up to 20%)	2014	Medium	Medium
<ul style="list-style-type: none"> <li>• Policy, Planning, Finance &amp; Administration</li> <li>• Organizational Effectiveness</li> </ul>	0.15	0.15	ASDR	Consider moving Performance Measurement to a single Finance shared service group	Low (up to 5%)	2013	Low	Low
<ul style="list-style-type: none"> <li>• Policy, Planning, Finance &amp; Administration</li> <li>• Program Support</li> </ul>	4.6	2.3	ASDR	Consider forming a single shared service organization for Administration	Medium (up to 20%)	2013	Medium	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.

# Government Management – Cluster A and B

## List of Opportunities 3/3

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 & Implications	Barriers
• Policy, Planning, Finance & Administration	1.1	0.7	NCSR	Consider external partners for some Program Review activities such as continuous improvement initiatives, quality management, business process reengineering support	Medium (up to 20%)	2013	Low	Low
• Social Development, Finance & Administration • Financial Management and Program Support	6.4	3.7	ASDR	Consider forming a single shared service organization for Finance Management and one for Administration	Medium (up to 20%)	2013	Medium	Medium
• Social Development, Finance & Administration • Financial Management and Program Support	6.4	3.7	RE	Consider opportunities to use technology to automate manual processes.	Low (up to 5%)	2014	Low	Low
• Social Development, Finance & Administration • Program Support	1.35	0.8	NCSR	Consider external partners for activities such as continuous improvement initiatives, quality management, business process reengineering support, event planning	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.

## Service Profiles

### ***Government Management- Cluster A and B***

*The next section contains the service profiles of the programs from Cluster A and B that under review by the Government Management standing committee:*

- 311
- *Court Services*
- *Policy, Planning, Finance and Administration*
- *Social Development, Finance and Administration*



311

Standing Committee
Government Management

Cluster
Cluster A

Program
311

Service Type
External Service Delivery

Program Budget (\$m)	
Gross	\$19.1
Net	\$9.7

**Rationale for Core and Service Level Assessment**

311 Customer Service is essentially a shared interface with the public for many divisions - therefore, this program is essential to providing those divisional services.

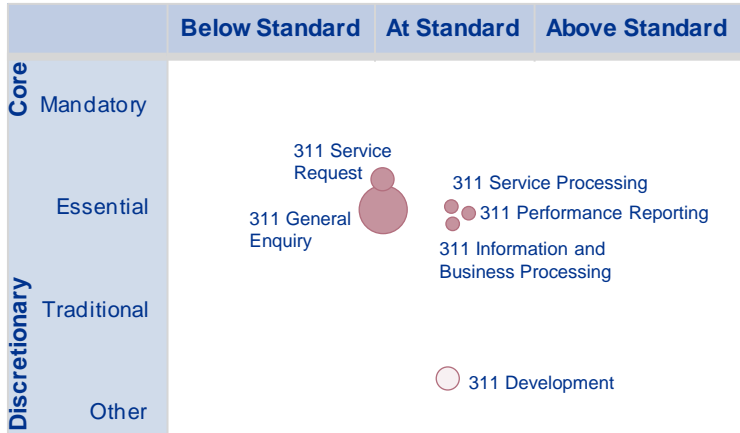
Service levels are slightly lower than the standard because response to inquiries is slower than the target.

**Jurisdictional Examples**

311 is rapidly becoming the standard approach for municipalities to give a single-point-of-access to non-emergency program and service inquiries for all residents, businesses and visitors.

Montreal, Boston, Philadelphia and Melbourne provide this service at the City level. In Barcelona, this service is provided through a City ABC. The service is available 24/7, 365 days a year in these jurisdictions.

Most provide performance reporting back to internal clients, but two do not have formal processes.



- Key Opportunities**
- The implementation of 311 as a “one-window” access to City services is still underway. Extension of the program to providing counter services, second tier information for some services, and integration with 211 operations should produce savings and improved public access.
  - Outsourcing some aspects of 311 service delivery, particularly access to web-based services, may produce savings.
  - Once these changes are implemented (or abandoned) the “311 Development” group will not be necessary.

Services								
Service Name	Gross Cost (\$m)	Net (\$m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
311 General Enquiry	10.82	6.73	62%	2	S-	C	D	<ul style="list-style-type: none"> <li>Target of 80% of calls within 75 seconds could be higher.</li> </ul>
311 Service Request	2.31	1.44	62%	2	S-	C	D	<ul style="list-style-type: none"> <li>Only getting 72% of calls within 75 seconds (target is 80 %)</li> <li>Activities are : service fulfillment, service tracking.</li> </ul>
311 Performance Reporting	0.14	0.09	64%	2	S	IS/M	D	<ul style="list-style-type: none"> <li>Internal reporting to divisional services (clients).</li> </ul>
311 Service Processing	0.43	0.27	63%	2	S	C/M	D	<ul style="list-style-type: none"> <li>Activities are: Service Referral, Complaint Logging, Service Transaction, Service Process Tracking.</li> </ul>
311 Information and Business Processing	0.72	0.45	63%	2	S	C/M	D	<ul style="list-style-type: none"> <li>This is an internal service for managing the knowledge base, scripting and conducting business process reviews.</li> </ul>
311 Development	4.61	0.76	17%	3.5	S	C/M	D	<ul style="list-style-type: none"> <li>Required if model continues to evolve, but could be eliminated if model stabilized.</li> </ul>

Options, Opportunities, Risks and Implications					
Type	Options and Opportunities	Risks and Implications	Potential Savings *	Timeframe **	Barriers
ASDR	Consider outsourcing some 311 activities to the private sector.	<p>This is a standard approach for call center management, but there is relatively little experience for outsourcing 311 specifically.</p> <p>May increase difficulty in ensuring responsiveness and flexibility to respond to changes and unusual circumstances. If contractor is housed outside Toronto, may be more difficult to train staff adequately.</p> <p>May take some time to achieve and privacy concerns could be an issue.</p> <p>Pursuing outsourcing may impact staff morale. Depending upon the model, may not make good use of new state of the art facility.</p>	Low (up to 5%)	2013	Low
SSR	Consider expanding the range of call centre services that 311 provides to client divisions.	Consolidating the dispatch functions of divisions like Water, Transportation and Solid Waste with 311, whether full-time or in slow periods, may produce savings. Similarly, providing second tier (more detailed) information for some services may produce savings by reducing need for tier 2 call response in divisions.	Low (up to 5%)	2013	Low
SSR	May be some opportunities in combining with 211.	Subject to suitable cost sharing. Could result in more complex governance.	Low (up to 5%)	2013	Low
SSR	Consider developing one-stop counter service for access to a wide range of municipal services.	To date 311 has provided “one-window” access to city services by phone and on the web. This would extend the same concept to counter services.	Low (up to 5%)	2013	Low
NCSR	Consider reducing or eliminating the 311 Development capacity once the model is fully implemented.	The 311 model will continue to evolve for some time. Extension of common counter services, extending the range of call centre services, or combining with 211 will extend the period during which 311 Development services will be required.	High (more than 20%)	2014+	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.

# Court Services

# Court Services

## Court Services

**Standing Committee**  
Government Management

**Cluster**  
Cluster A

**Program**  
Court Services

**Service Type**  
External Service Delivery

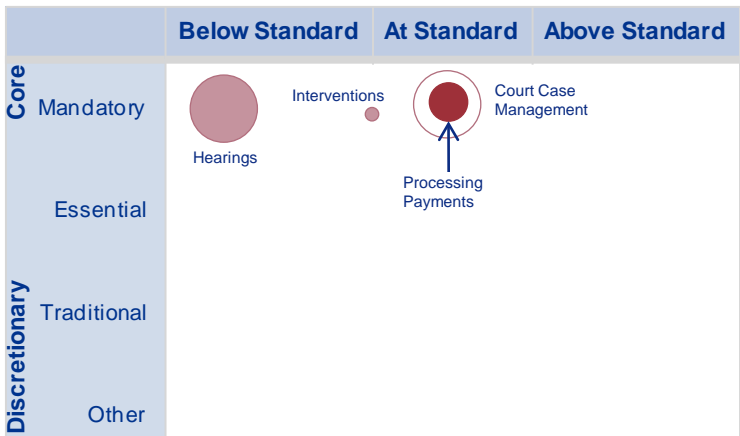
Program Budget (\$m)	
Gross	\$54.3
Net	-\$12.3

**Rationale for Core and Service Level Assessment**

Courts Services are provided (to the public and defendants) in accordance with the Provincial Offences Act and the Memorandum of Understanding between the City of Toronto and the Ministry of the Attorney General.

Service level standards are characterized in terms of time and the current service level is generally lower than the standard.

**Jurisdictional Examples**



- Key Opportunities**
- There were no opportunities identified.
  - Legislative change could facilitate increased revenue and more efficient operation.

# Court Services

## Court Services

Activities								
Activity Name	Gross Cost (\$m)	Net (\$m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
Hearings	26.88	22.25	83%	1	B	L/IS	D	<ul style="list-style-type: none"> <li>Current service level is 7 – 16 months time to trial vs. 6 – 9 months standard.</li> </ul>
Interventions	0.47	0.41	87%	1	S-	L/IS	D	<ul style="list-style-type: none"> <li>Intervention is taking longer than 1 day target.</li> </ul>
Processing Payments	3.4	3.38	99%	1	S	L	D	<ul style="list-style-type: none"> <li>Includes managing, collecting, processing fines and taking collection action on fines in default.</li> </ul>
Court Case Management	23.58	-38.35	-163%	1*	S	L/M	D	<ul style="list-style-type: none"> <li>Includes recording outcomes. Also includes the support of the Licensing Tribunal, a component of the Licencing program administered by Court Services due to similarities in processes.</li> <li>(* ) denotes that there the Licencing Tribunal activity type is not mandatory.</li> </ul>

Options, Opportunities, Risks and Implications					
Type	Options and Opportunities	Risks and Implications	Potential Savings *	Timeframe **	Barriers
RE	Consider seeking legislative change to allow higher fees and streamlining of court operations.	Current minimal fees do not support recovery of actual costs and new collection methods, sanctions and more effective use of technology are constrained by legislative requirements.	Low (up to 5%)	2014+	High

\* 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.

# Policy, Planning, Finance and Administration

\* Services under this program report to multiple standing committees, only services pertaining to Government Management Standing Committee are included here



# Policy, Planning, Finance and Administration

## Financial Management

**Standing Committee**  
Government Management

**Cluster**  
Cluster B

**Program**  
Policy, Planning, Finance and Administration

**Service Type**  
Internal Service

**Service Budget (\$m)**

Gross	\$8.7
Net	\$2.6

**Rationale for Core and Service Level Assessment**

Financial Management is combination of mandatory and essential services needed to successfully operate the City.

Financial Management service levels are, for the most part, at standard levels with some below standard in Financial Transaction and Payment Processing, and Management Reporting and Control.

**Jurisdictional Examples**

In Chicago, the majority of the Finance and Administration functions are performed by the Office of Budget and Management.

In Boston, the Finance and Administration Functions are under the Office of Administration and Finance.

In Philadelphia, the Finance and Administration function is under the Office of the Director of Finance.



- Key Opportunities**
- Key opportunities in Finance Management include pooling Finance resources across divisions into a centralized function.
  - Cost savings should be identified through an efficiency and effectiveness review of the program/service, specifically reviewing the organizational structure, business processes and technology platforms in place.

# Policy, Planning, Finance and Administration

## Financial Management

Activities								
Activity Name	Gross Cost (\$m)	Net (\$m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
Budget Planning, Coordination and Submission	1.03	0.54	52%	1	S	L/M	D	
Financial Transaction and Payment Processing	4.76	1.48	31%	2	S-	M	D	<ul style="list-style-type: none"> <li>A/R collections under target; not all customer deposits processed within target timeline.</li> </ul>
Management Reporting and Control	0.90	0.22	24%	2	S-	M	D	<ul style="list-style-type: none"> <li>Account reconciliation completed beyond target timeline; some management reports produced beyond target timeline.</li> </ul>
Business Advice and Consultation	1.96	0.39	20%	2	S	M	D	

# Policy, Planning, Finance and Administration

## Financial Management

Options, Opportunities, Risks and Implications					
Type	Options and Opportunities	Risks and Implications	Potential Savings *	Timeframe **	Barriers
ADSR	Consider forming a single shared service organization for Finance	Potential to drive efficiency and consistency across divisions and clusters by consolidating finance functions. However, it is important to recognize the different roles of finance and administration functions in the City, and the differing organizational models in the different clusters (i.e. centralized in Cluster B and mostly decentralized in Cluster A).	Medium (up to 20%)	2014	Medium
RE	Consider opportunities to use technology to automate manual processes (Example: electronic approvals / signatures, interfaces between SAP and other systems / processes)	Potential improvement in effectiveness, reliability and efficiency of internal service delivery.	Low (up to 5%)	2014	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.

# Policy, Planning, Finance and Administration

## Program Support

**Standing Committee**  
Government Management

**Cluster**  
Cluster B

**Program**  
Policy, Planning, Finance and Administration

**Service Type**  
Internal Service

**Service Budget (\$m)**

Gross	\$11.3
Net	\$5.0

**Rationale for Core and Service Level Assessment**

Program Support is combination of mandatory and essential services needed to successfully operate the City.

Program Support service levels are at standard levels.

**Jurisdictional Examples**

		Below Standard	At Standard	Above Standard
<b>Core</b>	Mandatory		○ Time and Attendance	
	Essential		○ General Administration ○ Complement Management and Reporting	
<b>Discretionary</b>	Traditional		○ Program Communications and Consultation	
	Other			

- Key Opportunities**
- The key opportunities in Program Support is to centralize similar administrative services across all divisions.
  - Cost savings should be identified through an efficiency and effectiveness review of the program/service, specifically reviewing the organizational structure, business processes and technology platforms in place.

# Policy, Planning, Finance and Administration

## Program Support

Activities								
Activity Name	Gross Cost (\$m)	Net (\$m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
Time and Attendance - Data Entry and Reporting	3.85	1.56	41%	1	S	L/M	D	
Complement Management and Reporting	0.44	0.21	48%	2	S	M	D	
Program Communications and Consultation	2.39	0.98	41%	2	S	M	D	<ul style="list-style-type: none"> <li>Similar activity exists in Cluster A and Cluster C.</li> </ul>
General Administration	4.58	2.29	50%	2	S	M	D	

Options, Opportunities, Risks and Implications					
Type	Options and Opportunities	Risks and Implications	Potential Savings *	Timeframe **	Barriers
ASDR	Consider forming a single shared service organization for Administration	Requires a change in operating model, consolidation of existing administration groups and may require implementing service level management. May incur service disruption during transition.	Medium (up to 20%)	2013	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.

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# Policy, Planning, Finance and Administration

## Organizational Effectiveness

**Standing Committee**

Government Management

**Cluster**

Cluster B

**Program**

Policy, Planning, Finance and Administration

**Service Type**

Internal Service

**Budget (\$m)**

Gross	\$1.1
Net	\$0.7

**Rationale for Core and Service Level Assessment**

Organizational Effectiveness is mix of Traditional and discretionary - other services.

Organizational Effectiveness service levels are at standard levels.

**Jurisdictional Examples**



- Key Opportunities**
- The key opportunities in Organizational Effectiveness are to use external vendors for some services and combine some performance measurement services with Finance.
  - Cost savings should be identified through an efficiency and effectiveness review of the program/service, specifically reviewing the organizational structure, business processes and technology platforms in place.

# Policy, Planning, Finance and Administration

## Organizational Effectiveness

Activities								
Activity Name	Gross Cost (\$m)	Net (\$m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
Cross Divisional Planning and Coordination	0.81	0.37	45%	3	S	M	D	<ul style="list-style-type: none"> <li>Includes coordinated response to corporate initiatives, FOI requests, Cluster initiatives, and divisional initiatives</li> </ul>
Performance Measurement	0.15	0.15	100%	4	S	M	D	
Program Review	0.15	0.15	100%	3.5	S	M	D	<ul style="list-style-type: none"> <li>Includes continuous improvement initiatives, quality management, business process reengineering</li> </ul>

Options, Opportunities, Risks and Implications					
Type	Options and Opportunities	Risks and Implications	Potential Savings *	Timeframe **	Barriers
NCSR	Consider external partners for some Program Review activities such as continuous improvement initiatives, quality management, business process reengineering support	Will provide City of Toronto with access to skills and methodologies that may not be available in house. Requires a vendor selection process that may delay pipeline projects. Depending on volume needs, may increase operating costs.	Medium (up to 20%)	2013	Low
ASDR	Consider moving Performance Measurement to a single Finance shared service group	Requires a change in operating model, consolidation of existing finance groups and will require service level 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.

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# Social Development, Finance and Administration

\* Services under this program report to multiple standing committees, only services pertaining to Government Management Standing Committee are included here



# Social Development, Finance and Administration

## Financial Management and Program Support

**Standing Committee**  
Government Management

**Cluster**  
Cluster A

**Program**  
Social Development, Finance and Administration

**Service Type**  
Internal Service

**Service Budget (\$m)**

Gross	\$6.4
Net	\$3.7

**Rationale for Core and Service Level Assessment**

Financial Management and Program Support is an essential service to successfully operate the City.

Financial Management and Program Support service levels are at standard levels.

- Jurisdictional Examples**
- In Chicago, the majority of the Finance and Administration functions are performed by the Office of Budget and Management.
  - In Boston, the Finance and Administration Functions are under the Office of Administration and Finance.
  - In Philadelphia, the Finance and Administration function is under the Office of the Director of Finance. The communications function is managed by the office of the City Representative.

	Below Standard	At Standard	Above Standard
<b>Core</b>	Mandatory		
	Essential		
<b>Discretionary</b>	Traditional		
	Other		

- Key Opportunities**
- Key opportunities in Finance Management and Program Support include pooling resources across divisions into a centralized function.
  - Cost savings should be identified through an efficiency and effectiveness review of the program/service, specifically reviewing the organizational structure, business processes and technology platforms in place.

# Social Development, Finance and Administration

## Financial Management and Program Support

Activities								
Activity Name	Gross Cost (\$m)	Net (\$m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
Financial Management and Reporting	1.08	0.53	49%	2	S	M/C	D	
Revenue Management	2.08	1.03	49%	2	S	L/M/C/F	D	
Financial Planning and Coordination	0.58	0.23	39%	2	S	C	D	
Program Support	1.35	0.78	58%	2	S	M/C	D	
Communications Management and Event Planning	1.31	1.09	83%	2	S	IS	D	• Similar activity exists in Cluster B and C.

Options, Opportunities, Risks and Implications					
Type	Options and Opportunities	Risks and Implications	Potential Savings *	Timeframe **	Barriers
ASDR	Consider forming a single shared service organization for Finance Management and one for Administration	Requires a change in operating model, consolidation of existing administration groups and may require implementing service level management. May incur service disruption during transition.	Medium (up to 20%)	2013	Medium
RE	Consider opportunities to use technology to automate manual processes	Potential improvement in effectiveness, reliability and efficiency of internal service delivery.	Low (up to 5%)	2014	Low
NCSR	Consider external partners for activities such as continuous improvement initiatives, quality management, business process reengineering support, event planning.	Will provide City of Toronto with access to skills and methodologies that may not be available in house. Requires a vendor selection process that may delay pipeline projects. Depending on volume needs, may increase operating costs.	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.

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# City of Toronto Core Services Review

Standing Committee Summary

***Government Management-  
Cluster C***

# Government Management – Cluster C

## Introduction

This section summarizes our findings for the programs in Cluster C under the Government Management standing committee which include:

- Accounting Services
- Facilities and Real Estate
- Finance and Administration
- Fleet Services
- Information Technology
- Purchasing and Materials Management
- Pension, Payroll and Employee Benefits
- Revenue Services

### Core Ranking

98% of services that fall under Government Management are either Mandatory or Essential. That is they are required to meet legislation requirements or to effectively operate the City.

However, there are opportunities to evaluate the role played by the City in the delivery of these services. Multiple opportunities for alternate service delivery and shared service arrangements (internally within the City and externally with agencies) may exist and need to be explored further in order to generate potential cost savings.

### Service Levels

Only 1% of services are delivered above Standard with the remaining 99% delivered at standard service levels or below standard service levels.

It is important to note that the majority of service level standards have been defined by management or Council. As a result, opportunities may exist to review the appropriateness and relevance of these standards.

Out of scope for this review is the determination if the services are delivered efficiently and effectively.

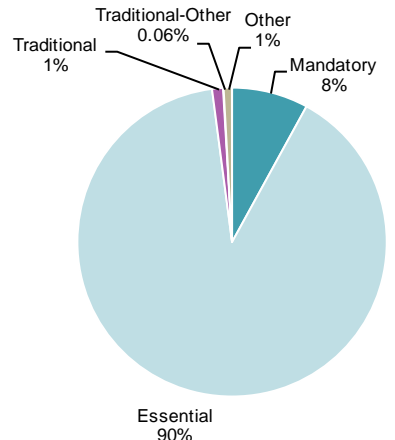


Figure 1: Core Ranking of Program Budgets (gross)

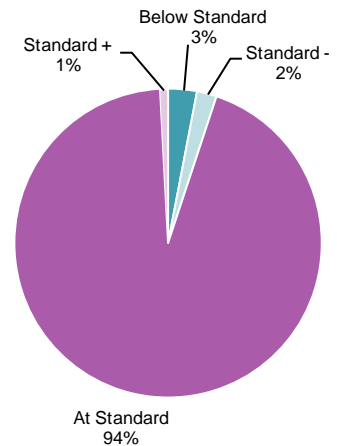


Figure 2: Service Level Ranking of Program Budgets (gross)

# Government Management – Cluster C

## Core Ranking

### Strategic Option:

Consistent with the City's current strategy, the City should evaluate if these services are delivered efficiently and effectively and implement solutions to lower overall service delivery costs.

Distribution of Program Cost (gross) by Core Ranking							
Program Name	Gross Budget (\$ m)	Mandatory	Mandatory – Essential	Essential	Traditional	Traditional – Other	Other
Accounting Services	12.0	3.6	-	8.5	-	-	-
Facilities and Real Estate	170.5	-	-	170.5	-	-	-
Finance and Administration	3.1	1.3	-	1.5	-	-	0.2
Fleet Services	48.1	-	-	48.1	-	-	-
Information Technology	101.3	-	-	101.3	-	-	-
Pension, Payroll and Employee Benefits	13.0	13.0	-	-	-	-	-
Purchasing and Materials Management	10.4	-	-	10.4	-	-	-
Revenue Services	38.3	13.8	-	16.5	4.5	-	3.4

### Key Non Core Service Options

- Within Finance and Administration, the City has developed a group specializing in Organizational Management Consulting. This could potentially be fulfilled by external vendors.
- Within Revenue services the City has two services that are discretionary but are tightly associated to revenue generation: i) Municipal Land Transfer Tax and ii) Property Assessment Reviews

# Government Management – Cluster C

## Service Level

**Alternate Service Delivery Option:**

The city has a major opportunity to consolidate like Finance and Administration functions across the divisions into a single shared service organization in order to lower overall service delivery costs.

Similarly, the City needs to explore several alternate service delivery opportunities across the entire suite of its corporate services.

Distribution of Program Cost (gross) by Service Level						
Program Name	Gross Budget (\$ m)	Below Standard	Standard -	At Standard	Standard +	Above Standard
Accounting Services	12.0	-	2.2	9.8	-	-
Facilities and Real Estate	170.5	-	-	170.5	-	-
Finance and Administration	3.1	-	-	3.1	-	-
Fleet Services	48.1	-	-	48.1	-	-
Information Technology	101.3	11.9	-	89.4	-	-
Pension, Payroll and Employee Benefits	13.0	-	-	13.0	-	-
Purchasing and Materials Management	10.4	-	-	7.2	3.3	-
Revenue Services	38.3	-	6.0	32.3	-	-

**Key Service Level Reduction Options**

- The only area where the City is delivering at a higher service level than standard is in Purchasing and Materials Management where materials are delivered faster than the service level standard. The City will need to evaluate if there is an associated cost with this higher level of service and the impacts to other divisions if the service level is lowered.

# Government Management – Cluster C

## List of Opportunities 1/4

Related program / service / activity			Options and Opportunities					
Program Service Activity	Gross Budget (\$ m)	Net Budget (\$ m)	Type	Description of Opportunity	Potential Savings*	Timeframe**	Risk and Implications	Barriers
<ul style="list-style-type: none"> <li>Accounting Services</li> <li>Payment Processing                             <ul style="list-style-type: none"> <li>Accounts Receivable Processing</li> </ul> </li> </ul>	0.5	0.3	ASDR	Consider increasing shared services approach for accounts receivable (e.g. revenue services).	Low (up to 5%)	2012	Low	Low
<ul style="list-style-type: none"> <li>Facilities and Real Estate                             <ul style="list-style-type: none"> <li>Facilities</li> <li>Custodial Care</li> </ul> </li> </ul>	31.6	16.3	ASDR	Consider strategic sourcing of custodial and security activities.	Low (up to 5%)	2012	Low	Medium
<ul style="list-style-type: none"> <li>Facilities and Real Estate                             <ul style="list-style-type: none"> <li>Facilities</li> </ul> </li> </ul>	145.9	79.5	ASDR	Consider increasing shared services approach with all agencies.	Low (up to 5%)	2013	Medium	Medium
<ul style="list-style-type: none"> <li>Facilities and Real Estate                             <ul style="list-style-type: none"> <li>Real Estate</li> </ul> </li> </ul>	24.6	-25.0	ASDR	Consider increasing shared services approach with agencies for all activities.	Low (up to 5%)	2013	Medium	Medium
<ul style="list-style-type: none"> <li>Finance and Admin</li> </ul>	3.1	2.8	ASDR	Consider forming a single shared service team for Finance.	Medium (up to 20%)	2013	Medium	Medium
<ul style="list-style-type: none"> <li>Finance &amp; Admin                             <ul style="list-style-type: none"> <li>Finance &amp; Admin                                     <ul style="list-style-type: none"> <li>Organizational Management Consulting</li> </ul> </li> </ul> </li> </ul>	0.24	0.24	ASDR	Consider using external partners to provide Organizational Management Consulting or performance management services.	Low (up to 5%)	2012	Low	Low
<ul style="list-style-type: none"> <li>Finance and Admin</li> </ul>	3.1	2.8	RE	Consider opportunities to use technology to automate manual processes.	Low (up to 5%)	2014	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.

# Government Management – Cluster C

## List of Opportunities 2/4

Related program / service / activity			Options and Opportunities					
Program Service Activity	Gross Budget (\$ m)	Net Budget (\$ m)	Type	Description of Opportunity	Potential Savings*	Timeframe**	Risk and Implications	Barriers
<ul style="list-style-type: none"> <li>Fleet Services</li> <li>Fleet Management</li> <li>Fleet Maintenance</li> </ul>	31.0	-0.1	ASDR	Evaluate alternate methods to repair and maintain vehicles. e.g. strategic sourcing of parts management, light duty vehicle repairs.	Low (up to 5%)	2013	Low	Low
<ul style="list-style-type: none"> <li>Fleet Services</li> </ul>	48.1	0.09	SR	Consider expanding scope of divisions served. (e.g. Police, Fire, EMS, non-revenue TTC vehicles).	Low (up to 5%)	2013	Medium	Medium
<ul style="list-style-type: none"> <li>Information Technology</li> </ul>	101.3	67.6	ASDR	Continue to investigate strategic sourcing of IT infrastructure, Business IT Solutions, Client Support and IT Service Improvement.	Low (up to 5%)	2013	Medium	Medium
<ul style="list-style-type: none"> <li>Information Technology</li> </ul>	101.3	67.6	RE	Continue to pursue standardization of enterprise applications.	Low (up to 5%)	2013	Low	Low
<ul style="list-style-type: none"> <li>Information Technology</li> </ul>	101.3	67.6	SLR	Continue to develop and examine key performance indicators beyond availability and timeliness.	Low (up to 5%)	2012	Low	Low
<ul style="list-style-type: none"> <li>Information Technology</li> </ul>	101.3	67.6	SSR	Consider further consolidation of IT functions into a shared service centre.	Low (up to 5%)	2013	Low	Low
<ul style="list-style-type: none"> <li>Pension, Payroll and Employee Benefits</li> <li>Non-OMERS Pension</li> </ul>	1.06	0.82	ASDR	Continue to pursue outsourcing options for non-OMERS pension plans.	Medium (up to 20%)	2013	Medium	Medium
<ul style="list-style-type: none"> <li>Pension, Payroll and Employee Benefits</li> <li>Payroll</li> </ul>	9.03	7.05	ASDR	Consider shared service or outsourcing Payroll for divisions and ABCs.	Medium (up to 20%)	2013	Medium	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.



# Government Management – Cluster C

## List of Opportunities 3/4

Related program / service / activity			Options and Opportunities					
Program Service Activity	Gross Budget (\$ m)	Net Budget (\$ m)	Type	Description of Opportunity	Potential Savings*	Timeframe**	Risk and Implications	Barriers
<ul style="list-style-type: none"> <li>Pension, Payroll and Employee Benefits</li> <li>Payroll                             <ul style="list-style-type: none"> <li>Payroll Administration</li> </ul> </li> </ul>	5.7	4.5	RE	Consider reducing number of pay runs per month from 22.	Medium (up to 20%)	2013	High	High
<ul style="list-style-type: none"> <li>Pension, Payroll and Employee Benefits</li> <li>Non-OMERS Pension</li> </ul>	0.27	0.21	ASDR	Consider recovering non-OMERS pension administration costs from pension plans.	High (more than 20%)	2013	Low	High
<ul style="list-style-type: none"> <li>Purchasing and Materials Management</li> <li>Purchasing</li> </ul>	7.1	4.5	SSR	Consider consolidating purchasing with ABCs to obtain greater purchasing power.	Medium (up to 20%)	2012	Low	Low
<ul style="list-style-type: none"> <li>Purchasing and Materials Management</li> <li>Materials Management Stores and Distribution</li> </ul>	3.3	2.5	SLR	Evaluate if exceeding material issue and delivery standard (5 days vs. 7 days) has a significant associated cost.	Low (up to 5%)	2012	Low	Medium
<ul style="list-style-type: none"> <li>Revenue Services</li> <li>Property Tax Billing</li> </ul>	7.1	0.7	SSR	Consider online payment options for property tax (e.g. e-billing).	Low (up to 5%)	2012	Low	Low
<ul style="list-style-type: none"> <li>Revenue Services</li> <li>Utility Billing</li> </ul>	7.6	0.8	SSR	Consider electronic payment options for utility payments (e.g. e-billing).	Low (up to 5%)	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.

# Government Management – Cluster C

## List of Opportunities 4/4

Related program / service / activity			Options and Opportunities					
Program Service Activity	Gross Budget (\$ m)	Net Budget (\$ m)	Type	Description of Opportunity	Potential Savings*	Timeframe**	Risk and Implications	Barriers
<ul style="list-style-type: none"> <li>Revenue Services</li> <li>Revenue Accounting and Collection</li> <li>Payment Processing and Collection</li> </ul>	2.6	0.3	ASDR	Consider strategic sourcing of payment processing.	Medium (up to 20%)	2013	Medium	Medium
<ul style="list-style-type: none"> <li>Revenue Services</li> <li>Revenue Accounting and Collection</li> <li>Revenue Accounting</li> </ul>	1.52	0.16	RE	Consider combining Revenue Accounting with Accounting Services.	Low (up to 5%)	2012	Low	Low
<ul style="list-style-type: none"> <li>Revenue Services</li> <li>Utility Billing</li> </ul>	7.6	0.8	ASDR	Consider strategic sourcing of meter reading operations.	Medium (up to 20%)	2013	Medium	Medium
<ul style="list-style-type: none"> <li>Revenue Services</li> <li>Property Tax Billing</li> <li>Property Assessment Review</li> </ul>	1.2	0.1	NCSR	Evaluate if eliminating Property Assessment Reviews is cost effective.	Low (up to 5%)	2012	Low	Low
<ul style="list-style-type: none"> <li>Revenue Services</li> <li>Utility Billing</li> </ul>	7.6	0.8	SSR	Evaluate strategic sourcing of billing with Toronto Hydro.	Low (up to 5%)	2014+	Low	Medium
<ul style="list-style-type: none"> <li>Revenue Services</li> <li>Property Tax Billing</li> <li>Property Tax and Payment in Lieu of Tax Billing</li> </ul>	2.62	0.27	SSR	Consider online payment options for property tax (e.g. e-billing).	Low (up to 5%)	2012	Low	Low
<ul style="list-style-type: none"> <li>Revenue Services</li> <li>Utility Billing</li> <li>Solid Waste Billings</li> <li>Water Billings</li> </ul>	3.59	0.37	SSR	Consider electronic payment options for utility payments (e.g. e-billing).	Low (up to 5%)	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

## ***Government Management- Cluster C***

*The next section contains service profiles from Cluster C that are under review by the Government Management standing committee:*

- *Accounting Services*
- *Facilities and Real Estate*
- *Finance and Administration*
- *Fleet Services*
- *Information Technology*
- *Purchasing and Materials Management*
- *Pension, Payroll and Employee Benefits*
- *Revenue Services*

# Accounting Services

# Accounting Services

## Accounting Services

Standing Committee
Government Management

Cluster
Cluster C

Program
Accounting Services

Service Type
Internal

Program Budget (\$m)	
Gross	\$12.0
Net	\$8.8

**Rationale for Core and Service Level Assessment**

Accounting Services is a combination of mandatory and essential support services that are required to successfully operate the City.

Tax and Financial Systems Support is achieving service level standards while Financial Reporting and Control and Payment Processing are performing at or below service level standards.

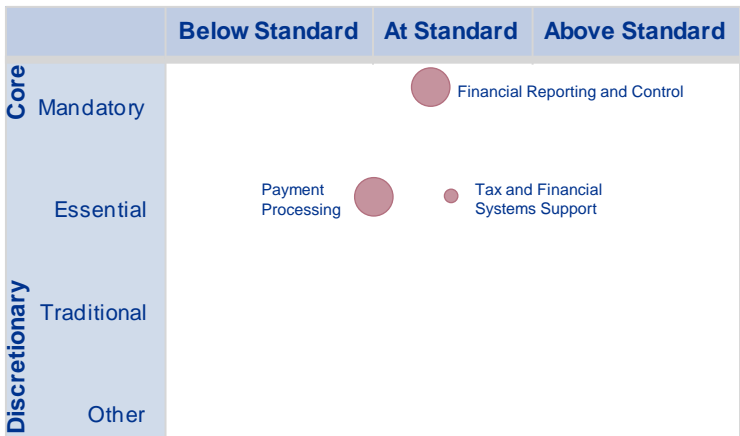
**Leading Practices**

**Leading Practices include:**

- Centralized accounting services on behalf of operating units and report to Corporate Finance i.e. shared services.
- Within the Province of Ontario, a shared service function for certain accounting functions is being integrated throughout the Ontario Public Sector through the Ministry of Government Services.
- Reliance on standardized processes to ensure consistency in recording financial transactions.
- Maximize ERP system to automate processes and push transactional controls into operating units and departments.

**OMBI Benchmark:**

- Cost to process an invoice - Toronto \$10.63, OMBI average \$4.66.



**Key Opportunities**

- The key opportunity in Accounting Services is to consolidate the A/R function across divisions into a shared service unit.
- Cost savings should be identified through an efficiency and effectiveness review of the program/service, specifically reviewing the organizational structure, business processes and technology platforms in place.

# Accounting Services

## Accounting Services

Services and Activities								
Service/Activity Name	Gross Cost (\$m)	Net (\$m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
<b>Financial Reporting and Control</b>	<b>4.73</b>	<b>3.85</b>	<b>81%</b>	1	S	L/M/IS/C	D	
Provincial and Federal Report Submission	0.18	0.16	89%	1	S-	L/M/IS	D	Accounting Services view complexity of Agencies and size of the City as drivers of delays which have lead to lower than standard service level.
Financial Statement Preparation	1.89	1.62	86%	1	S	L	D	
Management Reporting	1.25	0.98	78%	1	S	L/M/C		
Control	1.41	1.09	77%	2	S-	M/IS	D	Due to resource constraints.
<b>Payment Processing</b>	<b>5.86</b>	<b>3.83</b>	<b>65%</b>	2	S-	M/L/C/IS	D	
Corporate Banking	0.92	0.78	85%	2	S	M/IS	D	
Accounts Receivable Processing	0.48	0.29	60%	2	S-	M/C/IS	D	Due to resource constraints.
Accounts Payable Processing	4.29	2.65	62%	2	S	L/M/IS	D	
P-card Processing	0.17	0.11	65%	2	S-	M/IS	D	Due to resource constraints.
<b>Tax and Financial Systems Support</b>	<b>1.43</b>	<b>1.09</b>	<b>76%</b>	2	S	M/L/C/IS	D	
SAP Financial Systems Training	0.45	0.44	98%	2	S	M	D	
SAP User Support	0.75	0.61	81%	2	S	M/IS	D	
Tax Advisory and Policy	0.23	0.04	17%	1	S	L/M/C	D	HST Processing.

# Accounting Services

## Accounting Services

Options, Opportunities, Risks and Implications					
Type	Options and Opportunities	Risks and Implications	Potential Savings*	Timeframe**	Barriers
ASDR	Consider increasing shared services approach for accounts receivable (e.g. revenue services).	Requires more coordination and service level management.	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.

# Facilities and Real Estate



# Facilities and Real Estate

## Facilities Management

**Standing Committee**  
Government Management

**Cluster**  
Cluster C

**Program**  
Facilities and Real Estate

**Service Type**  
Internal

Program Budget (\$m)	
Gross	\$145.9
Net	\$79.5

**Rationale for Core and Service Level Assessment**

Facilities Management is an essential service required to successfully operate the City.  
Service level standards across Facilities Management are being consistently achieved.

- Leading Practices**
- Leading practices include:**
- Use of external providers for custodial and security services.
  - Centralized management of facilities i.e. shared services.
- OMBI Benchmarks:**
- Facility Operating Cost per Sq. Ft of Office Building
    - City of Toronto: \$13.50
    - OMBI Average: \$12.47
  - Custodial Cost per Sq. Ft. of HQ Building
    - City of Toronto: \$4.18
    - OMBI Average: \$2.53

		Below Standard	At Standard	Above Standard
<b>Core</b>	Mandatory			
	Essential			
<b>Discretionary</b>	Traditional			
	Other			

- Key Opportunities**
- The key opportunities in Facilities Management include strategic sourcing and pooling resources across agencies and divisions.
  - Cost savings should be identified through an efficiency and effectiveness review of the program/service, specifically reviewing the organizational structure, business processes and technology platforms in place.

# Facilities and Real Estate

## Facilities Management

Services/Activities								
Service/Activity Name	Gross Cost (\$m)	Net (\$m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
<b>Facilities Management</b>	<b>145.89</b>	<b>79.53</b>	<b>55%</b>					
Energy Management	39.46	22.07	56%	2	S	L/F/C	D/Mp/Mc	
Security and Safety	16.51	8.26	50%	2	S	M/C	D/Mc	
Custodial Care	31.62	16.25	51%	2	S	M/C	D/Mc	
Facilities Maintenance	58.29	32.95	57%	2	S	M/C	D/Mc	

Options, Opportunities, Risks and Implications					
Type	Options and Opportunities	Risks and Implications	Potential Savings*	Timeframe**	Barriers
ASDR	Consider increasing shared services approach with agencies for all activities.	Requires more coordination and service level management. May introduce service level disruption during transition.	Low (up to 5%)	2013	Medium
ASDR	Consider strategic sourcing of custodial and security activities.	Requires more contract and service level management. May introduce service level disruption during transition.	Low (up to 5%)	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.

# Facilities and Real Estate

## Real Estate Services

Standing Committee
Government Management

Cluster
Cluster C

Program
Facilities and Real Estate

Service Type
Internal

Program Budget (\$m)	
Gross	\$24.6
Net	-\$25.0

**Rationale for Core and Service Level Assessment**

Real Estate Services is an essential service required to successfully operate the City.  
 Service levels standards across Real Estate Services are being consistently achieved.

- Leading Practices**
- Leading practices include:**
- Centralized management of real estate i.e. shared services.
  - Standardized lease terms.

	Below Standard	At Standard	Above Standard
<b>Core</b>	Mandatory		
	Essential		
<b>Discretionary</b>	Traditional		
	Other		

- Key Opportunities**
- The key opportunities in Real Estate include pooling resources across agencies and divisions.
  - Cost savings should be identified through an efficiency and effectiveness review of the program/service, specifically reviewing the organizational structure, business processes and technology platforms in place.

# Facilities and Real Estate

## Real Estate Services

Services/Activities								
Service/Activity Name	Gross Cost (\$m)	Net (\$m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
<b>Real Estate Services</b>	<b>24.60</b>	<b>-24.96</b>	<b>-101%</b>					
Property Appraisal	2.19	1.59	73%	2	S	L	D/Mc	Section 37 and 42 of the Planning Act.
Lease Management	18.07	-29.28	-162%	2	S	L	D/Mc	Commercial Tenancies Act and Residential Tenancies Act.
Development and Portfolio Planning	1.05	0.78	74%	2	S	L	D/Mc	
Property Disposal	1.63	1.06	65%	2	S	L	D/Mc	City of Toronto Act.
Property Acquisition	1.66	0.89	53%	2	S	L	D/Mc	Expropriations Act.

Options, Opportunities, Risks and Implications					
Type	Options and Opportunities	Risks and Implications	Potential Savings*	Timeframe**	Barriers
ASDR	Consider increasing shared services approach with agencies for all activities.	Requires more coordination and establishing service level management. May introduce service level disruption during transition.	Low (up to 5%)	2013	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.

# Finance and Administration

# Finance and Administration

**Standing Committee**  
Government Management

**Cluster**  
Cluster C

**Program**  
Finance and Administration

**Service Type**  
Internal

**Program Budget (\$m)**

Gross	\$3.1
Net	\$2.8

**Rationale for Core and Service Level Assessment**

Finance and Administration is a mix of mandatory, essential, and other discretionary support services required to operate the City.

Service level standards across Finance and Administration are being consistently achieved.

**Leading Practices**

**Leading Practices include:**

- Centralize finance across operating units and departments report into Corporate Finance. i.e. shared services.
- Focused on analysis of operating units, reporting of performance, and tracking expenses and revenues against plan.
- Staffed mainly with trained accountants and analysts to provide insight and support to decision-making units within an organization.



**Key Opportunities**

- Key opportunities in Finance and Administration include pooling Finance resources across divisions and using external service providers when required.
- Cost savings should be identified through an efficiency and effectiveness review of the program/service, specifically reviewing the organizational structure, business processes and technology platforms in place.

# Finance and Administration

## Finance and Administration

Services/Activities								
Service/Activity Name	Gross Cost (\$m)	Net (\$m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
<b>Executive Leadership/CFO</b>	<b>0.62</b>	<b>0.45</b>	<b>73%</b>	1	S	L	D	
<b>Financial Management and Program Support</b>	<b>1.61</b>	<b>1.61</b>	<b>100%</b>	2	S	L/M/C	D	
Capital and Operating Budget Support	0.72	0.72	100%	1	S	L	D	
Financial Control	0.56	0.56	100%	2	S	L/M/C	D	
Program Support	0.32	0.32	100%	2	S	M/C	D	
<b>Communications</b>	<b>0.60</b>	<b>0.52</b>	<b>86%</b>	2	S	M	D	Similar activities to Cluster A and B.
Media Relations	0.09	0.08	86%	2	S	M	D	Similar activities to Cluster A and B.
Communications Support	0.33	0.28	86%	2	S	M	D	Similar activities to Cluster A and B.
Internal Services Website Development and Maintenance	0.18	0.15	86%	2	S	M	D	Similar activities to Cluster A and B.
<b>Organizational Management Consulting</b>	<b>0.24</b>	<b>0.24</b>	<b>100%</b>	3.5	S	M	D/Mc	

Options, Opportunities, Risks and Implications					
Type	Options and Opportunities	Risks and Implications	Potential Savings*	Timeframe**	Barriers
ASDR	Consider forming a single shared service organization for Finance.	Requires a change in operating model, consolidation of existing finance groups and will require service level management. May incur service disruption during transition.	Medium (Up to 20%)	2013	Medium
ASDR	Consider using external partners to provide Organizational Management Consulting or performance management services.	Provides option to source organizational management skills on demand. Will still require project managers to implement changes.	Low (up to 5%)	2012	Low
RE	Consider opportunities to use technology to automate manual processes.	Potential improvement in reliability and efficiency of internal service delivery.	Low (up to 5%)	2014	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.



# Fleet Services

# Fleet Services

**Standing Committee**  
Government Management

**Cluster**  
Cluster C

**Program**  
Fleet Services

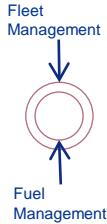
**Service Type**  
Internal

Program Budget (\$m)	
Gross	\$48.1
Net	\$0.1

**Rationale for Core and Service Level Assessment**

Fleet Services is an essential support service required to successfully operate the City.  
Service standards across Fleet Services are being consistently achieved.

- Leading Practices**
- Leading Practices include:**
- Centralized fleet management across all services.
  - Combination of in-house repair services and outsourced services (e.g. windshields, transmissions, engine blocks).
  - Standardization of vehicle types.
  - Measuring key performance metrics such as turn around time on repairs, up-time/down-time, % fleet available, cost per mechanic hour.
  - Using internal cost recovery (e.g. lease model).
  - Using industry standards (e.g. Canadian Association of Municipal Fleet Managers) for vehicle life.

	Below Standard	At Standard	Above Standard
<b>Core</b>	Mandatory		
	Essential		
<b>Discretionary</b>	Traditional		
	Other		

- Key Opportunities**
- The key opportunities within Fleet Services include increasing the number of agencies served; and continue the optimization of in-sourced and outsourced repair/maintenance services.
  - Cost savings should be identified through an efficiency and effectiveness review of the program/service, specifically reviewing the organizational structure, business processes and technology platforms in place.

Services/Activities								
Service/Activity Name	Gross Cost (\$m)	Net (\$m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
<b>Fleet Management</b>	<b>33.57</b>	<b>0.14</b>	<b>0%</b>	2	S	IS/M	D	Service levels based on CAMFM and OMBI.
Fleet Acquisition	1.10	0.18	16%	2	S	IS	D	
Fleet Maintenance	30.95	-0.11	0%	2	S	IS	D/Mc	
Fleet Disposal	0.17	0.05	28%	2	S	M	D/Mc	
Vehicle Safety	1.35	0.03	2%	2	S	M	D	Adheres to Provincial Safety standards.
<b>Fuel Management</b>	<b>14.53</b>	<b>-0.06</b>	<b>0%</b>	2	S	M	D	
Fuel Acquisition	13.82	-0.297	-2%	2	S	M	D	
Fuel Distribution	0.71	0.240	34%	2	S	M	D	

Options, Opportunities, Risks and Implications					
Type	Options and Opportunities	Risks and Implications	Potential Savings*	Timeframe**	Barriers
SR	Consider expanding scope of divisions served. (e.g. Police, Fire, EMS, non-revenue TTC vehicles).	Requires ability to scale operations and support multiple new vehicle types and configurations. Organizations may resist change.	Low (up to 5%)	2013	Medium
ASDR	Continue to evaluate alternate methods to repair and maintain vehicles. e.g. strategic sourcing of parts management, light duty vehicle repairs.	Requires external vendor management. May increase variability of repair service quality.	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.

# Information Technology

# Information Technology

## Information Technology

**Standing Committee**  
Government Management

**Cluster**  
Cluster C

**Program**  
Information Technology

**Service Type**  
Internal

Program Budget (\$m)	
Gross	\$101.3
Net	\$67.6

**Rationale for Core and Service Level Assessment**

Information Technology is an essential support service required to successfully operate the City.

Service standards for IT are based on availability and response time and are being achieved in most service areas.

**Leading Practices**

**Leading Practices include:**

- Leading organizations use a broader set of service standards and key performance indicators focusing, for example, on eliminating diversity and complexity in the IT environment, and on the cost attribution by service and channel.
- Many organizations are aggressively pursuing strategic sourcing strategies for IT activities. e.g. data centre, network, client device management. Strategic sourcing involves determining the optimal mix of internal delivery and managed external delivery i.e. outsourcing.

	Below Standard	At Standard	Above Standard
<b>Core</b>	Mandatory		
	Essential		
<b>Discretionary</b>	Traditional		
	Other		

**Key Opportunities**

- The key opportunities within Information Technology include strategic sourcing of several IT services, further consolidation to a single shared service and development of industry standard service levels.
- Cost savings should be identified through an efficiency and effectiveness review of the program/service, specifically reviewing the organizational structure, business processes and technology platforms in place.

# Information Technology

## Information Technology

Services / Activities								
Service/Activity Name	Gross Cost (\$m)	Net (\$m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
<b>Client Support and IT Service Improvement</b>	<b>16.45</b>	<b>13.18</b>	<b>80%</b>	<b>2</b>	<b>S</b>	<b>M/C/IS</b>	<b>D/Mc</b>	
Client Service Support	9.98	7.56	76%	2	S	M/IS	D	
IT Training and Education	1.57	1.50	96%	2	S	M	D/Mc	
IT Project Management	2.69	1.98	74%	2	S	IS	D	
IT Financial Management, Procurement and Contract Management	2.22	2.14	96%	2	S	C	D	
<b>Business IT Solutions</b>	<b>35.33</b>	<b>22.76</b>	<b>64%</b>	<b>2</b>	<b>S</b>	<b>M/C</b>	<b>D/Mc</b>	
Enterprise Management (Financial, Procurement, Payroll, HR)	9.38	6.72	72%	2	S	M/C	D/Mc	
Enterprise Web	3.67	3.59	98%	2	S	M	D/Mc	
Enterprise Geographic Information and Mapping	5.60	4.12	74%	2	S	M	D/Mc	
Enterprise-Other Solutions (e.g. 311, Revenue)	4.37	1.83	42%	2	S	M	D	
Program Specific Solutions	12.31	6.50	53%	2	S	M	D/Mc	

# Information Technology

## Information Technology

Services / Activities								
Service/Activity Name	Gross Cost (\$m)	Net (\$m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
<b>IT Infrastructure</b>	<b>42.16</b>	<b>26.86</b>	<b>64%</b>	<b>2</b>	<b>S-</b>	<b>M/IS</b>	<b>D/Mc</b>	
Solution Hosting (Data Centre)	18.33	12.00	65%	2	S	M/IS	D	
Telephone and Wireless Communication	11.91	5.69	48%	2	B	M/IS	D	Support availability under standard.
Network	4.04	2.99	74%	2	S	IS	D/Mc	
IT Device Management	7.87	6.19	79%	2	S	M	D/Mc	
<b>Enterprise IT Strategy</b>	<b>7.35</b>	<b>4.82</b>	<b>66%</b>	<b>2</b>	<b>S</b>	<b>M/IS</b>	<b>D</b>	
Planning and Architecture	5.75	4.11	71%	2	S	M/IS	D	
Risk Management and Security	1.60	0.71	44%	2	S	M/IS	D	

Options, Opportunities, Risks and Implications					
Type	Options and Opportunities	Risks and Implications	Potential Savings*	Timeframe**	Barriers
SLR	Continue to develop and examine key performance indicators beyond availability and timeliness.	Will align organization with industry standards in a government environment.	Low (up to 5%)	2012	Low
ASDR	Continue to investigate strategic sourcing of IT infrastructure, Business IT Solutions, Client Support and IT Service Improvement.	Requires capacity to manage complex outsourcing relationships as well as security and privacy risk mitigation.	Low (up to 5%)	2013	Medium
RE	Continue to pursue standardization of enterprise applications .	Ability to address/fulfil business needs with standardized business solution.	Low (up to 5%)	2013	Low
SSR	Consider further consolidation of IT functions into a shared service centre.	Capacity to support all groups; maturity of business approaches across divisions and ABCs.	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.



# **Purchasing and Materials Management**

# Purchasing and Materials Management

**Standing Committee**  
Government Management

**Cluster**  
Cluster C

**Program**  
Purchasing and Materials Management

**Service Type**  
Internal

Program Budget (\$m)	
Gross	\$10.4
Net	\$7.0

**Rationale for Core and Service Level Assessment**

Purchasing and Materials Management is an essential support service required to successfully operate the City. Service level standards for Purchasing and Materials Management are being achieved or exceeded.

- Leading Practices**
- Leading Practices include:**
- Aggregate purchasing across divisions.
  - Strategically sourcing major materials and services.
  - Automating parts of the procurement process including electronic requisitions and authorizations.
  - Drop shipments to reduce inventory levels.
  - Shared inventory facilities across organizations to reduce costs.
  - Improve purchasing and divisions staff skills to maximize realization of contract savings.
  - Local UK governments aggregating purchase volume across municipalities to reduce purchase costs.
  - UK municipality up-skilled its staff to achieve contract and discount savings that had previously been unrealized.



- Key Opportunities**
- The key opportunities within Purchasing and Materials Management include consolidating purchasing across ABCs and potentially reducing high service levels.
  - Cost savings should be identified through an efficiency and effectiveness review of the program/service, specifically reviewing the organizational structure, business processes and technology platforms in place.

# Purchasing and Materials Management

Services								
Service Name	Gross Cost (\$m)	Net (\$m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
Purchasing	7.10	4.48	65%	2	S	M/C	D	
Materials Management Stores and Distribution	3.26	2.49	76%	2	S+	M/C	D	<ul style="list-style-type: none"> <li>Material requests issued and delivered within 5 calendar days vs. the standard of 7 calendar days.</li> </ul>

Options, Opportunities, Risks and Implications					
Type	Options and Opportunities	Risks and Implications	Potential Savings*	Timeframe**	Barriers
SSR	Consider consolidating purchasing with ABCs to obtain greater purchasing power.	Requires increased coordination and inventory management.	Medium (up to 20%)	2012	Low
SLR	Evaluate if exceeding material issue and delivery standard (5 days vs. 7 days) has a significant associated cost.	Will require evaluation if current service standard meets internal needs. May delay work projects within divisions.	Low (up to 5%)	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.

# **Pension, Payroll and Employee Benefits**

# Pension, Payroll and Employee Benefits

**Standing Committee**  
Government Management

**Cluster**  
Cluster C

**Program**  
Pension Payroll and Employee Benefits

**Service Type**  
Internal

Program Budget (\$m)	
Gross	\$13.0
Net	\$10.1

**Rationale for Core and Service Level Assessment**

Pension Payroll and Employee Benefits is a mandatory support service required to successfully operate the City. Service standards for Pension Payroll and Employee Benefits are mainly response time based and are being consistently achieved.

**Leading Practices**

**Leading Practices include:**

- Outsourcing payroll activities to a 3rd party provider.
- Outsourcing pension plan administration to a 3rd party provider.
- High reliance of self-service applications for employees to update personal information, time entry, approvals, training, etc.

	Below Standard	At Standard	Above Standard
<b>Core</b>	Mandatory		
	Essential		
<b>Discretionary</b>	Traditional		
	Other		

**Key Opportunities**

- Key opportunities within Pension, Payroll and Employee Benefits include outsourcing administrative services, exploring cost recovery options and reducing payroll runs.
- Cost savings should be identified through an efficiency and effectiveness review of the program/service, specifically reviewing the organizational structure, business processes and technology platforms in place.

# Pension, Payroll and Employee Benefits

## Pension, Payroll and Employee Benefits

Activities								
Service/Activity Name	Gross Cost (\$m)	Net (\$m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
<b>Payroll</b>	<b>9.03</b>	<b>7.05</b>	<b>78%</b>	1	S	L	D	
Payroll Administration	5.74	4.48	78%	1	S	L	D	
3 <sup>rd</sup> Party Payroll Payments and Compliance	2.17	1.7	78%	1	S	L	D	
Payroll Management Reporting	1.12	0.88	78%	1	S	L	D	
<b>Employee and Retiree Benefit and Pension Compensation</b>	<b>2.90</b>	<b>2.26</b>	<b>78%</b>	1	S	L	D	
Employee Benefits and OMERS Pension Administration	0.27	0.21	78%	1	S	L	D	
3 <sup>rd</sup> Party Payments and Compliance	1.49	1.17	78%	1	S	L	D	
Benefit and OMERS Pension Management Reporting	1.14	0.89	78%	1	S	L	D	
<b>Non-OMERS Pension</b>	<b>1.06</b>	<b>0.82</b>	<b>78%</b>	1	S	L	D	
City Sponsored Pension Administration	0.27	0.21	78%	1	S	L	D	
Pension Deduction and 3 <sup>rd</sup> Party Compliance	0.36	0.28	78%	1	S	L	D	
Pension Reporting	0.42	0.33	78%	1	S	L	D	

# Pension, Payroll and Employee Benefits

Options, Opportunities, Risks and Implications					
Type	Options and Opportunities	Risks and Implications	Potential Savings*	Timeframe**	Barriers
ASDR	Continue to pursue outsourcing options for non-OMERS pension plans.	Requires cost/benefit analysis and FSCO approval. Will also require external vendor and service level management.	Medium (up to 20%)	2013	Medium
ASDR	Consider shared service or outsourcing Payroll for divisions and ABCs.	May increase exposure to overpayments, requires increased level of co-ordination and potential systems changes, may decrease availability /accessibility of payroll data.	Medium (up to 20%)	2013	Medium
ASDR	Consider recovering non-OMERS pension administration costs from pension plans.	Requires legal analysis to determine ability to pass on costs. May require change in service levels.	High (more than 20%)	2013	High
RE	Consider reducing number of pay runs per month from 22.	Requires changes to collective agreements. Would also change cash flow requirements.	Medium (up to 20%)	2013	High

\*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.

# Revenue Services



# Revenue Services

## Property Tax Billing

**Standing Committee**  
Government Management

**Cluster**  
Cluster C

**Program**  
Revenue Services

**Service Type**  
External Service Delivery

**Service Budget (\$m)**

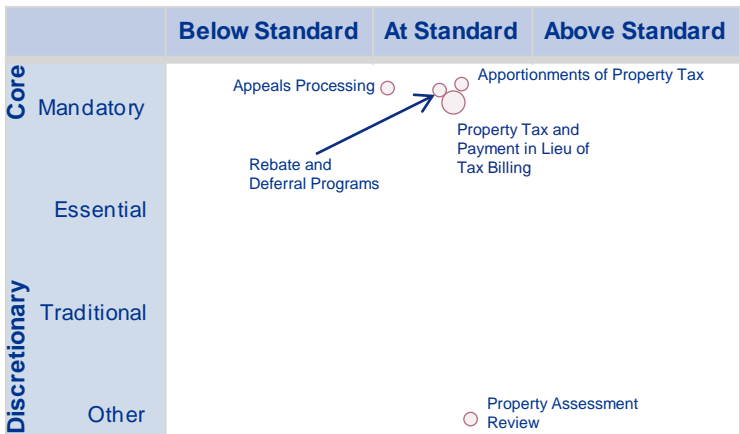
Gross	\$7.1
Net	\$0.7

**Rationale for Core and Service Level Assessment**

Property Tax Billing is a mandatory service required to successfully operate the City.

Service levels standards for Property Tax billing are consistently being achieved.

- Jurisdictional Examples**
- Property tax billing is a standard activity across all municipal regions. The frequency of billing and payment options drive the effort involved with this service.
  - Similar to Toronto, many municipalities offer varying payment frequency e.g. installment plans.



- Key Opportunities**
- The key opportunity within Property Tax Billing is to offer online payments options to residents.

# Revenue Services

## Property Tax Billing

Activities								
Activity Name	Gross Cost (\$m)	Net (\$m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
Property Tax and Payment in Lieu of Tax Billing	2.62	0.27	10%	1	S	L/C	D	
Property Assessment Review	1.23	0.13	10%	4	S	C	D	
Rebate and Deferral Programs	1.53	0.16	10%	1	S	L	D	
Appeals Processing	1.48	0.16	10%	1	S-	L	D	• Not a city deficiency, relates to delays at MPAC.
Apportionments of Property Tax	0.20	0.02	10%	1	S	L	D	

Options, Opportunities, Risks and Implications					
Type	Options and Opportunities	Risks and Implications	Potential Savings*	Timeframe**	Barriers
SSR	Consider online payment options for property tax (e.g. e-billing).	Provides increased payment options to residents and may reduce manual labour associated with payment processing.	Low (up to 5%)	2012	Low
NSCR	Evaluate if eliminating Property Assessment Reviews is cost effective.	Eliminating this service may put at risk potential revenue to the City.	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.

# Revenue Services

## Utility Billing

**Standing Committee**  
Government Management

**Cluster**  
Cluster C

**Program**  
Revenue Services

**Service Type**  
External Service Delivery

Budget (\$m)	
Gross	\$7.6
Net	\$0.8

**Rationale for Core and Service Level Assessment**

Utility Billing is an essential service to successfully operate the City.

Service level standards for Utility Billing are consistently achieved.

**Jurisdictional Examples**

- Similar to Toronto, San Francisco, Boston and Washington DC are implementing automated water meter programs. This reduces the requirement for physical meter readings and therefore i) reduces the cost to bill and ii) provides more accurate billing.

		Below Standard	At Standard	Above Standard
<b>Core</b>	Mandatory			
	Essential			
<b>Discretionary</b>	Traditional			
	Other			

**Key Opportunities**

- The key opportunities within Utility Billing are to offer online payments options to residents; and to strategically source meter reading.

# Revenue Services

## Utility Billing

Activities								
Activity Name	Gross Cost (\$m)	Net (\$m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
Water Billings	2.81	0.29	10%	2	S	C	D	
Solid Waste Billings	0.78	0.08	11%	2	S	C	D	
Meter Reading Operations	4.02	0.42	10%	2	S	C	D	

Options, Opportunities, Risks and Implications					
Type	Options and Opportunities	Risks and Implications	Potential Savings*	Timeframe**	Barriers
SSR	Consider electronic payment options for utility payments (e.g. e-billing).	Provides increased payment options to residents and may reduce manual labour associated with payment processing.	Low (up to 5%)	2012	Low
ASDR	Consider strategic sourcing of meter reading operations.	Meter reading operations will be eventually phased out with the rollout of automated meter reader program.	Medium (up to 20%)	2013	Medium
SSR	Evaluate strategic sourcing of billing with Toronto Hydro	Can potentially reduce overall effort and costs associated with billing. System integration and vendor management will be required	Low (up to 5%)	2014+	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.

# Revenue Services

## Parking Ticket Operations

**Standing Committee**  
Government Management

**Cluster**  
Cluster C

**Program**  
Revenue Services

**Service Type**  
External Service Delivery

**Service Budget (\$m)**

Gross	\$3.7
Net	\$0.4

**Rationale for Core and Service Level Assessment**

Ticket processing is required to enforce city parking by-laws.

Service levels are generally consistent with standards set by legislation.

**Jurisdictional Examples**

- Parking Ticket Operations is a standard activity across all municipal regions.

		Below Standard	At Standard	Above Standard
<b>Core</b>	Mandatory		○ Parking Ticket Processing	
	Essential			
<b>Discretionary</b>	Traditional			
	Other			

**Key Opportunities**

- No opportunities identified.

# Revenue Services

## Parking Ticket Operations

Activities								
Activity Name	Gross Cost (\$m)	Net (\$m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
Parking Ticket Processing	3.65	0.38	10%	1	S	L/M	D	Service standards driven by Provincial Offences Act.

Options, Opportunities, Risks and Implications					
Type	Options and Opportunities	Risks and Implications	Potential Savings*	Timeframe**	Barriers
	<i>No options/opportunities identified.</i>				

# Revenue Services

## Tax, Utility and Parking Ticket Client Services

**Standing Committee**  
Government Management

**Cluster**  
Cluster C

**Program**  
Revenue Services

**Service Type**  
External Service Delivery

**Service Budget (\$m)**

Gross	\$9.7
Net	\$1.0

**Rationale for Core and Service Level Assessment**

Revenue Services Counter Operations for parking ticket first appearance facilities is a mandatory service driven by legislation.

Tax/Utility Account Administration is an essential service to successfully run and operate the City.

Revenue Services Contact Centre is a traditional service operated by the City.

These services are delivered at or slightly below standard levels.

**Jurisdictional Examples**



**Key Opportunities**

- No options/opportunities identified.

# Revenue Services

## Tax, Utility and Parking Ticket Client Services

Activities								
Activity Name	Gross Cost (\$m)	Net (\$m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
Tax/ Utility Account Administration	1.60	0.17	10%	2	S	M	D	
Revenue Services Counter Operations	3.55	0.37	10%	1	S	L/C	D	Under POA, city must provide a facility for parking ticket dispute resolution and/or trial requests in person.
Revenue Services Contact Centre	4.51	0.47	10%	3	S-	M	D	Service standard seems high but current service level is very low.

Options, Opportunities, Risks and Implications					
Type	Options and Opportunities	Risks and Implications	Potential Savings*	Timeframe**	Barriers
-	<i>No options/opportunities identified.</i>	-	-	-	-



# Revenue Services

## Revenue Accounting and Collection

**Standing Committee**  
Government Management

**Cluster**  
Cluster C

**Program**  
Revenue Services

**Service Type**  
External Service Delivery

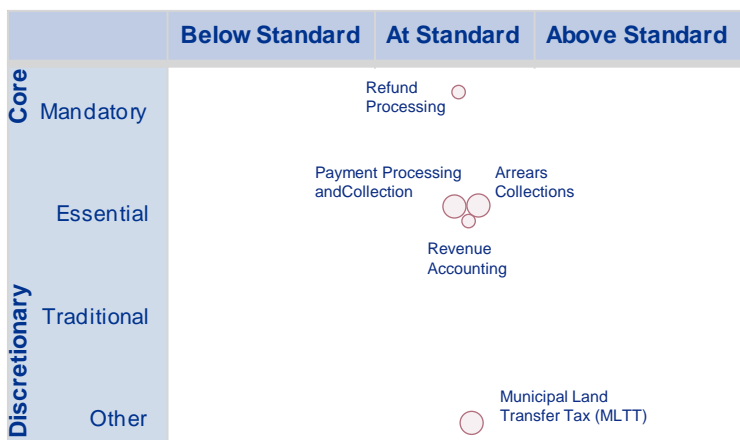
**Service Budget (\$m)**

Gross	\$10.3
Net	\$1.1

**Rationale for Core and Service Level Assessment**

Revenue Accounting is a mix of mandatory and essential services with the exception of the Municipal Land Transfer Tax. All services are delivered at standard service levels.

**Jurisdictional Examples**



- Key Opportunities**
- The key opportunities in Revenue Accounting and Collection include pooling accounting resources across all divisions and strategically sourcing payment processing.

# Revenue Services

## Revenue Accounting and Collection

Activities								
Activity Name	Gross Cost (\$m)	Net (\$m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
Payment Processing and Collection	2.59	0.27	10%	2	S	M	D	
Arrears Collections	3.23	0.34	10%	2	S	L/C	D	
Revenue Accounting	1.52	0.16	10%	2	S	M	D	
Municipal Land Transfer Tax (MLTT)	2.23	0.23	10%	4	S	C	D	
Refund Processing	0.76	0.08	10%	1	S	L/M	D	Refunds due to appeals are legislated while refunds due to over-payment are not.

Options, Opportunities, Risks and Implications					
Type	Options and Opportunities	Risks and Implications	Potential Savings**	Timeframe**	Barriers
ASDR	Consider strategic sourcing of payment processing.	Requires management of external partner and active monitoring of service levels. Requires analysis to determine if recent investment in payment processing technology can be protected.	Medium (up to 20%)	2013	Medium
RE	Consider combining Revenue Accounting with Accounting Services.	Lower level of integration with Revenue Services team.	Low (up to 5%)	2012	Low

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\*\* Timeframe refers to first year in which savings could be realized. Full savings may take longer.



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