

APPENDIX B: STATUS OF THE SERVICE EFFICIENCY STUDY PROGRAM

Summary of Recommendations for Completed Studies

The Studies were conducted in consultation with Divisions and Agencies. Further details are available in the full reports posted at www.toronto.ca/torontoservicereview/efficiencystudies. The City Manager will work closely with senior management to determine which of the actions are feasible and can be implemented, implementation methods and timeframes and more precise estimated savings. The recommendations provide an estimated range of savings that include one time and annual potential financial benefits. Savings are highly dependent on viability as determined by senior management, timeframes, and other implementation considerations and analysis. In all cases, implementation will comply with collective agreements, human resource policies and legal obligations

DIVISIONS:

FACILITIES AND REAL ESTATE (CROSS DIVISION/AGENCY)

Consultant: KPMG			
Consultant Recommendations¹	Estimated Financial Benefit – 2012 & Future Years	Timeframe	Additional Notes
1. Process Improvement			
1.A) Automate invoice process: Reconfigure SAP to generate invoices for internal clients. Retire existing external software system.	<ul style="list-style-type: none"> • Gross: 2 FTE or \$150K per year • Net: \$140 K per year 	<ul style="list-style-type: none"> • 2012 Q4 • Payback: 1.3- 2 years 	<ul style="list-style-type: none"> • Configuration of SAP: \$200-300 K • Ongoing license fees: \$10K (estimate)
1.B) Automate work order management process: Deploy a wireless solution to reduce manual effort and increase data collection.	<ul style="list-style-type: none"> • Gross: \$0.5 M per year (6FTEs) • Net: \$450K per year 	<ul style="list-style-type: none"> • 2012 Q4 • Payback: 2.2-4.4 years 	<ul style="list-style-type: none"> • Initial hardware/software: \$500K-\$2M • Ongoing fees: \$50K (estimate)
1.C) Aggregate spend and vendor rationalization: Group common spend and reduce total number of vendors	<ul style="list-style-type: none"> • Savings: 4% of \$3.6 M= \$150 K per year 	<ul style="list-style-type: none"> • 2013 Q2 • Payback: NA 	<ul style="list-style-type: none"> • Value of spend with bottom 80% of vendors: \$3.6M • Industry average savings due to spend aggregation: 3-5%
Sub Total		\$0.7 M annually	

¹ KPMG Disclaimer: "Readers are cautioned that the potential savings outlined in this report are estimates which are predicated on the City reducing its personnel resources, capital assets, and other future events. Actual results achieved as an outcome of implementing recommended opportunities will vary from the information presented and these variations may be material."

APPENDIX B: STATUS OF THE SERVICE EFFICIENCY STUDY PROGRAM

Consultant: KPMG			
Consultant Recommendations¹	Estimated Financial Benefit – 2012 & Future Years	Timeframe	Additional Notes
2. Shared Services			
2. Revise the FM and RE operating model: A revision to the operating model for FM and RE envisioned as part of the Facilities Transformation Project, but guided by the principles and leading practices associated with shared services organizations (focusing on technology enablement).	<ul style="list-style-type: none"> • Base: \$2.6M annually • Stretch: \$4.9 M annually 		Timeline and costs need to be aligned with current plan for Facilities Transformation Project.
Sub Total		\$2.6- 4.9 M annually	
3. Outsourcing			
Scenario 1: Outsource custodial, security, general maintenance and associated management activities for the divisions served by Corporate FM team.	<ul style="list-style-type: none"> • Expenditure base of \$88M • Base: \$8.8M annually • Stretch: \$13.2M annually 	24 months from approval to completion	Estimated one-time costs: \$9M-10M which includes severance and transition fees
Scenario 2: Outsource custodial, security, general maintenance and associated management activities for the divisions served by the Corporate FM team and City divisions performing these activities themselves.	<ul style="list-style-type: none"> • Expenditure base of \$127M • Base: \$12.7M annually • Stretch: \$19 M annually 	24 months from approval to completion	Estimated one-time costs: \$16M-17M (includes severance and transition fees)
Scenario 3: Outsource custodial, security, general maintenance and associated management activities for the divisions served by the Corporate FM team, City divisions performing these activities themselves and selected ABCs.	<ul style="list-style-type: none"> • Expenditure base of \$160M • Base: \$16M annually • Stretch: \$24M annually 	24 months from approval to completion	Estimated one-time costs: \$21M-22M which includes severance and transition fees
Scenario 4: Extend any scenario to include project-based services across Corporate FM team, all Divisions and selected ABCs.	<ul style="list-style-type: none"> • Incremental savings • Base: \$1.1 M annually • Stretch: \$1.7M annually 	24 months from approval to completion	Estimated incremental one-time costs: \$1M-2M which includes severance and fees
Sub Total		\$8.8-\$26M annually	

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4. Portfolio Optimization			
4.A) Consolidate externally leased space: i. Consolidate and relocate existing leased facilities, OR	\$1.4M annually	2013 Q2	i. One time moving costs: 225sq ft @ \$2/sq ft= \$0.5M
ii. Consolidate and repatriate office space to City owned facilities.	\$4.2M annually	2013 Q2	ii. One time moving costs: 117K sq ft @ \$2/sq ft= \$0.25M
4.B) Rationalize existing space and property: Reduce overall space usage by rationalizing office space and city owned properties		2013 Q2	
4.C) Sale/leaseback of owned buildings: Reduce costs by converting the current operating model of managing owned buildings to occupying building space as tenants.		2013 Q2+	
Sub Total		\$1.4- 4.2M annually	
Total Estimated Savings		\$13.5M-35.7M annually	

APPENDIX B: STATUS OF THE SERVICE EFFICIENCY STUDY PROGRAM

FLEET SERVICES (CROSS DIVISION/AGENCY):

Consultant: Western Management Consultants			
Consultant Recommendations	Potential Estimated Financial Benefit – 2012 & Future Years	Time frame	Additional Notes
1. Improve Productivity & Customer Service Levels across City Fleet Functions²			
<p>To improve productivity and customers service levels must make changes to the following across the City:</p> <ul style="list-style-type: none"> • Improve planning and scheduling • Formalize Quick Service process • Improve reliability and performance management • Clarify maintenance roles • Set standards/targets for labour performance and utilization • Improve garage/work environment • Improve information systems 	\$455 K to \$1.36M	Short term changes (2012 to 2013)	<p>Higher labour performance at a 5% improvement rate required (i.e. \$91,000 for every 1% improvement)</p> <p>Higher labour utilization at a 15% improvement required</p>
2. Consolidation within Corporate Fleet Services			
<p>2. A) Over time, consolidate 13 garages to approximately 4 main garages potentially located at: Eastern Ave., Ellesmere, Finch; and Disco.</p> <p>Possible closure of 9 garages (requires further cost-benefit study);</p> <ul style="list-style-type: none"> • Allows buildings re-use or sale 	TBD	2012 to 2013	Further study of actual cost-benefits of holdings and land value/other City uses is needed per site, but is recognized as being significant.
3. Consolidation of functions with other City Divisions/Agencies (Police, Fire, EMS, TTC (non-revenue fleet) & Corporate Fleet Services Division)			
<p>Phase 1: Centralized under Corporate Fleet Services Organizational Structure:</p> <ul style="list-style-type: none"> • Reporting to a single Director • Corporate Fleet Services Division garage consolidation begins by closing 4 sites; • Best practices emphasis (e.g. Key Performance Indicators; Service Level tracking and improvements); 	5-10% of combined garage budgets (Corporate Division garages)	2012	Phase 1 starts in the immediate term (2012) in the Corporate Fleet Services Division

² Implementing these improvements in the Corporate Fleet Services Division, paves the way for further efficiencies and consolidations with other areas of the City, for further cost-savings beyond 2012.

APPENDIX B: STATUS OF THE SERVICE EFFICIENCY STUDY PROGRAM

Consultant: Western Management Consultants			
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<ul style="list-style-type: none"> • Labour Productivity improvements implementation; • Greater geographic and shift coverage; • Centralized shared services (e.g. Reliability engineering; Vehicle acquisition; Vehicle utilization; Capacity planning; Lifecycle management; IT support for M5); • Centralize other functions (e.g. Driver training; Single contract for parts). 			Additional savings may be possible from economies of scale, lower fuel costs, etc.
<p>Phase 2: Consolidate Corporate Fleet Services & Other City-Owned Garages</p> <ul style="list-style-type: none"> • Continue Corporate Fleet Services Division garage consolidation (from 13 to 4); • Expect productivity improvements as highest service/productivity level practices are absorbed; • Begin with 1 EMS garage and 1 Toronto Fire Services garage. 	5-10% of combined garage budgets (Other City/Agency garages with the Corporate Division garages)	2012 to 2016 (longer term)	Additional savings may be possible from lower inventory costs, reduction in back-office functions, etc.
4. Consolidation of Parts Contract			
<p>Assumes consolidation of Corporate Fleet Services Division, Fire Division, EMS Division, and two Agencies, Toronto Police Services and the Toronto Transit Commission (non-revenue fleet), under an outsourced Parts solution and action to:</p> <ul style="list-style-type: none"> • Standardize procurement and parts management of all City Fleets’ parts programs to achieve optimal service/costs for all parties; • Develop centralized expertise in supply chain best practice, inventory management, strategic sourcing, and contract management; • Develop a comprehensive set of key performance indicators and share results with service providers and labour alike; • Formalize efforts with vendors to obtain best pricing and develop/expand and enforce protocols governing sourcing decisions; • Focus on total maintenance costs including parts life cycle and replacement history for aftermarket; • Apply due diligence both across the City (regarding the benefits of parts contracts), as well as with parts contractors (regarding consistency in pricing, savings, and quality of parts, over time). 	Consolidating into one or two primary parts contracts should yield significant savings, i.e. expand from current contract covering 27% of unit demand and 16% of spend, to 73% of unit demand and 88% of spend, to achieve a possible \$1 million + saving.	2012 and beyond	

APPENDIX B: STATUS OF THE SERVICE EFFICIENCY STUDY PROGRAM

Consultant: Western Management Consultants			
Consultant Recommendations	Potential Estimated Financial Benefit – 2012 & Future Years	Time frame	Additional Notes
5. Outsourcing Maintenance			
Alternative 1: <ul style="list-style-type: none"> Continue to support achievement of higher productivity levels; Continue to benchmark external vs. internal labour and overhead costs; Outsource as much as possible wherever external cost is lower; Build contract management expertise and monitor external quality and cost. 	TBD	2012	Analysis of cost-benefits will determine best options for the City
Alternative 2: <ul style="list-style-type: none"> Introduce friendly cooperation and competition; Outsource one large garage to a stellar provider using a fair competitive process; Conduct fair internal City/external provider competition for 3 years; Support workers to achieve improved productivity; Monitor on same factors using the same information systems; Winner takes all possibly including outsourced work (if internal City wins). 	TBD	2013-2014	See above.
Alternative 3: <ul style="list-style-type: none"> Choose one garage location and negotiate or ask for volunteers to introduce an incentive program; Tie incentive (monetary or non-monetary) to increased performance based on standards; Was successfully done prior to City of Toronto amalgamation. 	TBD	2013-2014	See above.
6. Reduction in Vehicle Abuse (avoidable damage/wear)			
6. Reduce vehicle abuse by minimizing non-standard add-ons and modifications, and excessive wear and tear. Improve adherence to standard operating procedures and by bringing vehicles in as soon as possible (e.g. when PM due, when failure occurs or might occur).	\$0.9 Million	These are short term and ongoing changes (2012 and beyond).	Anticipate being able to achieve a 50% reduction in vehicle abuse charge backs to the City
Total Estimated Savings	\$2.7-3.7M³		

³ Western Management Consultants of Ontario conservatively quantifies annual savings in the range of \$2.7-3.7 M in the short term (2012-2013) for the Fleet Services Division alone. Much greater savings would be realized for the City if the recommended implementation plan to consolidate (over 4 years in total approximately) fleet function from Police, Fire, EMS and TTC (non-revenue) Together, these consolidations are expected to yield economies of scale at a conservative estimate of at least 5-10% of the combined budgeters of the City-owned garages across the City.

APPENDIX B: STATUS OF THE SERVICE EFFICIENCY STUDY PROGRAM

SOLID WASTE MANAGEMENT

Consultant: Ernst & Young			
Consultant Recommendations	Estimated Financial Benefit – 2012 & Future Years	Time frame	Additional Notes
(C-01) The working day for collection staff is materially shortened due to an incentive program; slightly lengthening routes, while maintaining the incentive program would result in savings in labour and equipment wear	\$4.4M	9-12 months	Complexity: Medium
(C-05) Number of supervisors should be reduced in District 2	\$0.2M	2 months	Complexity: Low
(C-11) Efficiency gains could be achieved by more fully loading trucks before unloading at transfer stations	\$0.8M	3 months	Complexity: Medium
(X-01) Transfer station unloading (City Collection) should be controlled and thereby rebalanced to minimize line-ups at peak times and allow daytime collection trucks to unload faster	\$0.3M	3 months	Complexity: Medium
(X-04) Unloading times could be improved at certain transfer stations	\$0.6M	12-15 months	Complexity: High
(P-04) A span of control analysis reveals opportunities to consolidate responsibilities among fewer management staff	\$0.8M	2 months	Complexity: Medium
Subtotal	\$ 7.1 M		
SWMS Division Identified			
(VS-01) Discontinuing the practice of allowing four free tags for garbage in excess of residents' chosen garbage bin size	\$0.9M	6 months	Complexity: Low
(VS-02) Discontinuing the practice of allowing occasional overflow recycling to be set out in clear plastic bags (undermines the automated collection method)	\$0.5M	6 months	Complexity: Medium
(VS-03) Discontinuing the Environment Days (many services are now available through formal programs, operations, depots, or pick-up for example)	\$0.5M	6 months	Complexity: Low

APPENDIX B: STATUS OF THE SERVICE EFFICIENCY STUDY PROGRAM

Consultant: Ernst & Young			
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(VS-04) Pursuing additional revenue generation through a fee-for-service charge to Charities, Institutions, and Religious Organizations (CIROs) currently exempt from the volume-based waste rate system	\$1.7M	6 months	Complexity: Low
(VS-05) Additional revenue may be achieved through a review of the drop & load service including the fee charged and strategies to increase this revenue opportunity	\$0.2M	6 months	Complexity: Medium
Subtotal	\$3.8M		
Total Estimated Savings	\$10.9M		

APPENDIX B: STATUS OF THE SERVICE EFFICIENCY STUDY PROGRAM

SHELTER SUPPORT & HOUSING ADMINISTRATION

Consultant: MCC Workplace Solutions			
Consultant Recommendations	Estimated Financial Benefit – 2012 & Future Years	Timeframe	Additional Notes
Hostel Services Delivery Model			
1) Review how shelter operations can be made more efficient and implement improved processes: <ul style="list-style-type: none"> • Streamline invoice approval and eliminate paper handling. • Work with Pension, Payroll & Employee Benefits Division to determine how to reduce duplicate entry of part-time hours. • Develop an assessment tool to assess client needs and use the case management function in SMIS to track caseloads to assign and adjust caseloads. 	TBD	Q1 2012- Q1 2013	Implementation of reducing duplicate entry for part-time hours and improved caseload management are dependent on SAP and SMIS enhancements
2) Identify reports required to manage the City-wide shelter and support system efficiently and effectively and make changes to SMIS to produce these reports: <ul style="list-style-type: none"> • Implement efficiencies in current reporting. • Use a structured process and templates to identify all management reporting needs. • Determine system changes required. 	Current reports, minimum of \$10 K annually or 10% per report. New reports, savings TBD.	Q1 2012- Q1 2013	
3) Outsource food and facilities services: <ul style="list-style-type: none"> • Implement an REOI to determine the interest by qualified bidders. • If sufficient interest, move to an RFP process. • Ensure processes are rigorous and eliminates unsuitable candidates and protects the City against lowball bids. • Develop and implement contract, transition and outsource-provider relationship management processes. 	\$0.9M to \$1.8M annual savings or 10-20%	Q4 2012-Q2 2013	Savings will decrease as City moves to more purchase-of-service shelter operators.
4) Change the mixed-shelter model to gradually convert five shelters to purchase-of-service contracts: <ul style="list-style-type: none"> • Design a project plan for a scheduled conversion to purchase-of-service. 	\$4.1 to \$5.3M annually	Q1 2012-2016	Actual savings cannot be calculated without proposed staffing costs and other costs that

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Consultant: MCC Workplace Solutions			
Consultant Recommendations	Estimated Financial Benefit – 2012 & Future Years	Timeframe	Additional Notes
<ul style="list-style-type: none"> Establish and implement an expedited RFP and evaluation process. Create a transition plan. Negotiate contracts. Implement agreements and transition plans. 	(transition costs not deducted; increased cost to contract administration not deducted)		would be contained in responses to the RFP.
Hostel Services Systems Manager			
5) Review how System Manager operations can be made more efficient and implement improved processes: <ul style="list-style-type: none"> Move from annual to two-year requirements for both purchase-of-service contracts and annual funding submissions. Streamline administrative processes, eliminate paper handling and improve process control. 	\$13.9K gross and \$6.9K net savings	2013	
Streets to Homes			
6) Evaluate enhanced program streams and determine if they should continue: <ul style="list-style-type: none"> Assess the value of spending \$4.8M per year on 24/7 outreach, legal panhandling reduction and 311 service calls. Establish clear goals for enhanced program streams and develop objectives, measurements and outcomes, collect and analyze data and implement in 2012. Determine 2013 budget based on evaluation outcomes. 	\$0 – \$4.8M	2013	
7) Adjust street-outreach service to reflect changes in numbers, characteristics and needs of the street population: <ul style="list-style-type: none"> If the next Street Needs Assessment shows a decrease in the street population, further assess how the characteristics and therefore the needs of the population may have changed. Recalculate street-outreach resources to reflect the size of the street population and its needs. Adjust hours of service to meet seasonal needs to manage health and safety risks associated with extreme weather. 	TBD	2013-2014	Financial implications cannot be determined until the next Street Needs Assessment

APPENDIX B: STATUS OF THE SERVICE EFFICIENCY STUDY PROGRAM

Consultant: MCC Workplace Solutions			
Consultant Recommendations	Estimated Financial Benefit – 2012 & Future Years	Timeframe	Additional Notes
<p>8) The City Manager request that federal and provincial governments fund 100 percent of program activities that support a housing outcome:</p> <ul style="list-style-type: none"> • Ensure sufficient data is being collected to provide solid evidence that the City has aligned program activities and outcomes with provincial and federal program goals (CHPP & HPS). • Use the data from the results of the study by the Mental Health Commission of Canada in combination with the City’s own statistics to strengthen the City’s position that the cost of funding Streets to Homes is offset by the reduction in other service system use funded directly by federal and provincial governments. 	\$2.3M	2013	
Affordable Housing Office			
<p>1) Retain the AHO in its current organizational structure with reduced capacity in 2013 to reflect federal/provincial funding levels:</p> <ul style="list-style-type: none"> • Reduce staff complement to not more than 17 FTE's by mid-2013. • Retain entrepreneurial business model that attracts private and non-profit developers to partner with the City in public-private developments that include affordable housing, creating mixed communities. • Retain innovative approach during a period of limited federal/provincial funding to support execution of the HOT plan. • Maintain strong relationships with external government and housing partners. 	\$400K	2013	
Total Estimated Savings	\$7.7M- \$14.6 M		

APPENDIX B: STATUS OF THE SERVICE EFFICIENCY STUDY PROGRAM

TRANSPORTATION SERVICES

Consultant: KPMG			
Consultant Recommendation	Estimated Financial Benefit 2012 and Future Years	Time frame	Additional Notes
Automation and Information Technology Improvements			
Increase the use of mobile technology and automation to support field work (Streams: Construction Permitting, Utility Cut Repair, Claims Investigations, Road and Winter Maintenance):	Requires a comprehensive business case to determine financial impact	Implementation may begin in 2013. Potential savings projected for 2014.	
Centralize construction permit processing and claims investigations. Consider the use of technology to support the centralized process. (Streams: Construction Permitting, Claims Investigations)	Upfront investment of up to \$100K may be required, potentially yielding \$100-150K	Implementation may begin in 2012. Potential savings projected for 2013.	
Staffing and Workload Improvements			
Consider pooling and cross training of staff in the field, who are involved in road and winter maintenance, construction permit, utility cut permit and claims investigations processes (Stream: Construction Permitting, Utility Cut Repair, Claims Investigations, Road and Winter Maintenance)	Initial investment of \$100-150K may be required, with operational savings estimated at up to 15%. Road and Winter Maintenance and Utility Cut Repairs streams may generate greater operational savings due to large budget size and volume of activity.	Implementation may begin in 2012. Potential savings projected for 2013-2014	
Facilitate communications with staff operating in the field by supplying appropriate tools, services, and access to information (Stream: Road and Sidewalk Maintenance, Winter Maintenance)	Investments are estimated to be minimal. Financial benefits are expected	Implementation may begin in 2012. Potential savings	

APPENDIX B: STATUS OF THE SERVICE EFFICIENCY STUDY PROGRAM

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	to be realized due to increased productivity of staff	projected for 2013	
Consider developing a mechanism to improve the utility cut management by tracking the utility company that is responsible for each cut using a marking system. (Stream: Utility Cut Repair)	Investment of up to \$100K may be required, depending on the system chosen. Projected operational savings are estimated at \$300K	Planning can commence in 2012, with a pilot program in 2013 Cost savings / efficiencies are likely to be yielded in 2014+	
Customer Service Improvements			
Enhance customer service standards for the construction permitting process (Stream: Construction Permitting, Utility Cuts)	This recommendation deals with improving customer service. The financial impact will be minimal.	Standards could be established in 2012	
Create a customer-friendly guide for Chapter 743 “Use of Streets and Sidewalks” of the Toronto Municipal Code to improve its readability and usability (Stream: Construction Permitting)	This recommendation deals with improving customer service. The financial impact will be minimal.	User guide can be established in 2012	
Expedite urgent / serious claims through the city to address immediate safety issues and reduce the number and dollar value of claims (Stream: Claims Investigations)	Savings could accrue from fewer claims filed from the same area / incident site. A 1% reduction in claim amounts would amount up to \$250K savings	Implementation may commence in 2012	

APPENDIX B: STATUS OF THE SERVICE EFFICIENCY STUDY PROGRAM

Consultant: KPMG			
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Service Delivery Improvements			
Develop an approach for determining what to outsource and what to do in-house based on evaluation of the costs and other factors relevant to the service, including the need for a seasonally-balanced in-house workforce (Stream: Road and Sidewalk Maintenance, Winter Maintenance)	Savings are likely to be gained from more cost-informed contracting and service delivery	Implementation may begin in 2012. Potential savings projected for 2013	
Review existing and upcoming contracts to increase flexibility, reduce cost, and productively reallocate resources (Streams: Road and Sidewalk Maintenance, Winter Maintenance)	Reduction in standby costs could be significant, potentially reaching 25% or \$8.7M, including a mix of operating and capital savings	Likely upon contract renewal, in 2015+	
Consolidate grass cutting contracts on road right-of-ways with requirements for parks, City buildings and other corporate requirements (Streams: Road and Sidewalk Maintenance)	Savings on road and sidewalk requirements will be modest as work is currently contracted. Larger savings can be expected in other departments.	Implementation may commence in 2012	
Decision-making Capacity Improvements			
Adopt a business intelligence approach to claims management by analytically identifying trends, determining root causes, and monitoring outcomes of claims and cases (Stream: Claims Investigations)	Better decision-making and continuous improvement efforts could reduce the number of claims by up to 5% or \$1.25M	Implementation can commence in 2012, with changes from improved decision-making occurring in 2013	

APPENDIX B: STATUS OF THE SERVICE EFFICIENCY STUDY PROGRAM

Consultant: KPMG			
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Improved Infrastructure Management			
<p>Take measures aimed at increasing the percentage of capital budget available for projects through the strategic management of capital expenses and budgetary processes</p> <p>(Stream: Infrastructure Management)</p>	<p>Difficult to estimate due to lack of available data. However, even an efficiency gain of 1-5% could potentially yield benefits in the range of \$2-10 M.</p>	<p>This is likely a longer term opportunity, potentially yielding results in 2014+</p>	
<p>Further develop the City’s asset management framework, applying it to transportation assets and other asset classes</p> <p>(Stream: Infrastructure Management)</p>	<p>Initial investment of up to \$500K may be required, resulting in enhanced effectiveness of capital spend across multiple asset classes.</p>	<p>Implementation may begin in 2012. Potential savings projected for 2014+</p>	
<p>Strongly consider the increased use of an IT system(s) in support of infrastructure management activities, which could include the deployment of a robust multi-asset class management system</p> <p>(Stream: Infrastructure Management)</p>	<p>Upfront system costs may be in the \$5-10M range. A marginal efficiency gain of 1-5% could potentially yield benefits in the range of \$2-10M.</p>	<p>Implementation may begin in 2013. Potential savings projected for 2014+</p>	
<p>Strengthen the governance of capital infrastructure initiatives by further defining and clarifying roles of all affected stakeholders. This includes articulating how decisions are made, by whom, and who is accountable/responsible for carrying them out. Consider broadening the role and mandate of MCIC in this initiative.</p> <p>(Stream: Infrastructure Management)</p>	<p>Investments are estimated to be minimal. Financial benefits are expected to be realized due to increased productivity of staff.</p>	<p>Formalized governance structure and mandate can be in effect in 2012. Results are likely to be realized in 2013+</p>	
Total Estimated Savings		\$14.6 M to 20.6M	

APPENDIX B: STATUS OF THE SERVICE EFFICIENCY STUDY PROGRAM

AGENCIES

TORONTO POLICE SERVICES

Consultant: Ernst & Young			
Consultant Recommendations	Estimated Financial Benefit – 2012 & Future Years	Timeframe	Additional Notes
1.) Any discussion which the City may wish to have with the TPSB and the Chief of Police should include due consideration of the level of police service required by the City as any reduction in police staff may have an impact on the level of service to the City. Such an analysis was outside of the scope of this Final Report; therefore, the analysis in this Final Report was based on assumption that the TPS would continue to provide the same level of service to the City of Toronto.			
Staffing Levels			
2. A) If the TPS were to adopt a staffing model in which 40% of a front line officer’s time is spent on proactive policing, for a potential reduction of between 105 to 115 officers resulting in annual savings of \$9 to \$10 million.	Up to \$10.1 million	2013	Barrier: Reduce proactive policing to 40%
2. B) If the collective bargaining agreements (collectively, the “CBA”) could be renegotiated (expiry in 2014) to change the shift schedule for front line officers from a 10-10-8 shift schedule (28 hours per day) to an 8-8-8 shift schedule (24 hours per day) and assuming a proactive policing rate of 40%, then TPS could potentially reduce the complement of front-line officers by approximately 300 officers resulting in annual savings of up to \$25 million. On this basis, TPS could realize an additional \$10 million in shift schedule cost savings if the balance of officers currently on the 10-10-8 shift schedule (in addition to the foregoing front-line officers) were moved to an 8-8-8 shift schedule.	Up to \$35.1 million	2015	Need to take into consideration collective bargaining agreements
2.C) TPS has moved to civilianize certain roles previously performed by police officers, and there appears to be additional roles which need to be reviewed in further detail to determine whether it may be possible to transition the role from a police officer to a civilian. Based on the analysis detailed herein, there may be as many 227 positions which could be	Up to \$3.7 million	2013	Potential barriers include training, recruitment, and reduced flexibility

APPENDIX B: STATUS OF THE SERVICE EFFICIENCY STUDY PROGRAM

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civilianized. This could lead to annual savings up to \$3.7 million based on the difference in the average wage of a police officer and a civilian employee at TPS.			
2.D) A span of control analysis is a technique for determining the number of supervisors which may be required. Based on the span of control analysis for the 17 divisions of the TPS, there were 7 divisions which appeared to have more supervisors than may be required and if the number of supervisors were brought in line with the study benchmark, then the potential savings would be approximately \$2.2 million per year;	Up to \$2.2 million	2013	Need to take into consideration collective bargaining agreements
Call Taking and Dispatch			
2.E) On average, call taking staff answer emergency calls within 2 seconds and non-emergency calls within 7 seconds. Based on our analysis of call volumes and TPS maintaining an emergency service level benchmark of 90% within 10 seconds waiting as a minimum standard for all calls, the number of call taking staff could be reduced with annual savings up to \$400,000. This will result in longer wait times for 911 callers and the City may not wish to pursue this opportunity;	\$300K to \$400K	2013	Need to take into consideration collective bargaining agreements
2.F) Call dispatch staff for four divisions consistently handle less calls on average than the other divisional call dispatch staff. There may be an opportunity to consolidate the dispatch desks for these divisions with potential annual savings of \$650,000.	\$500K to \$650K	2013	Need to take into consideration collective bargaining agreements
Total Estimated Savings	Up to \$52.1 million⁴		

⁴ Estimated savings before accounting for applicable benefits and restructuring costs.

APPENDIX B: STATUS OF THE SERVICE EFFICIENCY STUDY PROGRAM

TORONTO PUBLIC LIBRARY

Consultant: DPRA			
Consultant Recommendations	Estimated Financial Benefit – 2012 & Future Years	Time frame	Additional Notes
Recommendations noted by TPL and assessed and validated by DPRA Consulting			
1. That the TPL board consolidate the two inter-branch delivery hubs into one at Ellesmere.			
2. That TPL streamline the holds process by implementing a new label technology.			
3. That the TPL board continue investing in self-service and automation (where feasible) to realize long-term operating cost savings			
4. That the TPL board undertake a review of management and administration to determine further efficiencies.			
Additional recommendations resulting from service efficiency study			
5. That the TPL board continue to develop strategies to increase the virtual library and video/audio streaming and capacity.	TBD	2012-2013	There may be potential eventually to reduce some shelving space in the branches which will allow for more computer work stations as it is phased in. Further, as customers become more comfortable with the virtual library, the savings could increase exponentially which would reduce workload at every branch.
6. That the TPL board review schedule of open hours to ensure consistency with peak customer demand for greater efficiency and better customer service.	\$7M	2012	The calculation does not directly take into consideration premium pay for late evenings and Sundays since it is unclear as to how many hours would be associated with late evening and Sundays.

APPENDIX B: STATUS OF THE SERVICE EFFICIENCY STUDY PROGRAM

Consultant: DPRA			
Consultant Recommendations	Estimated Financial Benefit – 2012 & Future Years	Time frame	Additional Notes
7. That the board consider consolidating the services of some branches without compromising service delivery, and support effective business management	\$3,682,000 (not including Northern Elms). \$4,000,000 (including Northern Elms)	2012-2013	If the open hours are reduced the savings for branch consolidations will be less than noted here.
8. That the board develop a new strategic plan for the library with consideration of City priorities and the fiscal context		2012	Strategic Planning Process Starts in 2012
9. That the City Manager include libraries in the current study of public spaces to assess opportunities for shared facilities with other providers of public spaces.	TBD as an output of the study-long term	2012	
10. That the TPL board isolate programs as a distinct service in the TPL budget to clearly describe the programs offered, the FTEs used to administer programs, costs associated with use of these FTEs and any other costs, and associated performance measures.	TBD, likely \$50,000 - \$100,000 per year to reduce by at least 25% and consolidate programs	2012-2013	Planning 2012 Program Changes 2013
11. That TPL install automated sorters at the consolidated delivery hub at Ellesmere in order to realize business process efficiencies.	\$345,000 annually in reduced staffing costs	2012	Cost: Automated sorter = \$1,690,000 Plus annual capital and maintenance costs of \$120,000. While the short term investment is high, the investment will be recouped in 6.5 years. No funding has been identified in the 10 year Capital Budget
12. That the TPL Board continue to implement costs savings and efficiencies at the Toronto Reference Library	TBD – assume \$150,000	Beyond 2012	
13. That, where possible, TPL consider cost recovery for some of its services and programs.	\$500,000 plus minimal saving through reductions between staff and customer interactions	2013	

APPENDIX B: STATUS OF THE SERVICE EFFICIENCY STUDY PROGRAM

Consultant: DPRA			
Consultant Recommendations	Estimated Financial Benefit – 2012 & Future Years	Time frame	Additional Notes
14. That TPL staff develop more specific data to enhance planning, budgeting and service delivery improvements.	TBD as an output of the study—long term	2012 and beyond	
15. Minor Process Efficiency Recommendations related to: a. Standard truck size b. Enhance online functionality c. Physical space and layout suggestions d. Synchronizing of holds picking and reshelving processes; e. Home delivery f. Shared services; and g. Reduction in Internal Mail	These recommendations collectively equate to potentially 4 FTEs or \$250,000	2012 - 2013	
Total Estimated Savings	Up to \$ 10.5 M⁵		

⁵ Depending on options selected and implementation timeframes

TORONTO TRANSIT COMMISSION

Consultant: Accenture			
Consultant Recommendations	Estimated Financial Benefit – 2012 & Future Years	Timeframe	Additional Notes
1. Incident Management			
1.A) Leverage Commercial-Off-The-Shelf (COTS) technologies where applicable to integrate data capture, storage and retrieval for all system users--to standardize and streamline incident capture/reporting processes.	\$0.2-0.4 M annually in the long term	6-14 months	<ul style="list-style-type: none"> Pilot is six months, complete rollout 12-14 months Savings: Assuming you can achieve 40% of the cost (22,000 hours x \$50/hr= \$1M)
1.B) Reduce controllable & uncontrollable incident hours, targeting overall reduction in recovery time--to reduce total incidents, time to delay resolution, and improve customer satisfaction.			
1.C) Track bus incidents in a more comprehensive manner--to identify incident drivers that improve bus ridership and customer satisfaction.			
2. Capital Project Management			
2. A) Apply Performance Management metrics using appropriate tools/software--to better manage funds, and improve project fund visibility and governance, consistently use Earned Value Management (EVM) metrics and improved application of contingency management rules based on project risk and complexity.	\$7 to 30 M annually in the long term		<ul style="list-style-type: none"> Assuming 1%-4% savings can be achieved over their annualized average capital budget of \$750M (\$7.5B over ten years), not operating budgets.
2. B) Review City's new Capital Budgeting system (SAP) where applicable to automate, streamline & consolidate reporting requirements across governmental agencies; work with the City and other governmental bodies to improve reporting rules to manage capital projects, as the City itself shifts to an SAP based system.			
2. C) Setup structured project lifecycle management structures and controls around contingency management within the TTC before approval is sought from City Council to strengthen controls on how contingency is set and spent.			

APPENDIX B: STATUS OF THE SERVICE EFFICIENCY STUDY PROGRAM

Consultant: Accenture			
Consultant Recommendations	Estimated Financial Benefit – 2012 & Future Years	Timeframe	Additional Notes
3. Bus Life Maintenance and Procurement			
3. A) Accelerate implementation of Industrial and Financial Systems (IFS) work order system and determine optimal bus life--to gain visibility and start tracking into individual bus lifecycle costs to be able to determine optimal bus lifecycle.	\$6 to 13 M annually in the long term	6-7 months	Estimated savings: Primarily from outsourcing, assuming 6% to 12% savings can be achieved from total spend of \$107 M, that was spent in 2010.
3.B) Review the opportunity to outsource repairs of bus and parts assembly after benchmarking internal work standards against leading industry performers—to identify areas for productivity improvement and perform repairs and rebuilds at competitive prices of bus maintenance activities.			
4. Management Structure			
4.A) Implement scheduled TTC identified staff adjustments from within management and operations (based on Phase 1)	\$15M annually	Q1/2012	TTC has committed to these savings that are coming from predominantly TTC operations (headcount of 381 impacted)
4.B) Establish Span of Control (SOC) Ratios: <ul style="list-style-type: none"> • Operations to achieve SOC of 1:15 • CGM's Office (1:6), Executive Branch, Engineering and Construction Branch to achieve SOC of up to 1:8 After implementation of proposed system and process improvements, continuously re-evaluate management structure for efficiencies.	\$3 to 7M annually	2013/2014	Estimated savings: associated with a phase 2 savings, to be evaluated after initial savings have been realized through process improvements.
5. Shared Services			
5. A) Implement TTC identified savings through contracting out services—as part of its \$60M spend on station/building service lines, metal works, upholstery and wood-working	\$1-3M annually by 2012; \$2-5M annually in the long term	9-10 months	
5.B) Explore develop and adopt shared IT services with the City e.g. Network and service desk support, customer service, hardware/software.	\$1-3M annually in the long term	9- 10 months	

APPENDIX B: STATUS OF THE SERVICE EFFICIENCY STUDY PROGRAM

Consultant: Accenture			
Consultant Recommendations	Estimated Financial Benefit – 2012 & Future Years	Timeframe	Additional Notes
5.C) Conduct joint procurement with the City and other transit agencies and Metrolinx—particularly in office/cleaning supplies and services, uniforms, safety shoes, etc.	\$1-3M annually in the long term	9- 10 months	
5.D) Evaluate City's HR, in-house developed system "Quattro" as a model for TTC—used to manage worker's compensation and related incidents.	\$1-3M annually in the long term	9- 10 months	
5.E) Develop Centres of Excellence between TTC and regional transport services—e.g. Fare Management, Integrated Vehicle-Borne Information Systems, joint vehicle parts and services procurement, Inter-line services.	\$1-3M annually in the long term	9- 10 months	
5.F) Co-ordinate with City on legal services/settlements and employee benefits—such as payout of claims, life insurance premiums and administrative fees.	\$1-3M annually in the long term	9- 10 months	
5.G) Evaluate and perform gap-fit analysis of City's common payroll and financial reporting packages (SAP)—to replace the TTC's ageing corporate systems.	\$1-3M annually in the long term	9- 10 months	
6. Charter Services			
6.A) Take necessary steps to operate all charter services on full cost recovery basis—to enable better visibility of sales, and ensure breaking-even on charter services.		1 month	Charter services are intended to be at least break even, or revenue positive, and therefore there are no cost savings.
7. Peak Hour and Off Peak Hour Service Efficiency			
7.A) Implement service adjustment as identified by the TTC—through revised bus loading standards and service headways	\$14M annually, by 2012	2 months	By adjusting loading standards and headways (service frequency) TTC identified savings of \$14M
7.B) Expedite installation of Automatic Passenger Counting/Signal Priority System—to realize savings by reducing total traffic checking staff & improve schedules	\$1M annually in the long term.	2 months	
7.C) Reduce service change frequency to 4-5 changes per year—to reduce complexity involved with service planning and scheduling.	\$0.6-1M annually in the long term	2 months	Savings associated with reducing their annual spend on service planning boards (\$1.9M annually) by half

APPENDIX B: STATUS OF THE SERVICE EFFICIENCY STUDY PROGRAM

Consultant: Accenture			
Consultant Recommendations	Estimated Financial Benefit – 2012 & Future Years	Timeframe	Additional Notes
8. Ridership Growth Management Strategy			
8.A) Accelerate signal priority installation, increased express bus service, increase priority lanes, optimize bus stop spacing, and track additional performance metrics—to improve on-street schedule adherence to maintain and attract ridership.			
8.B) Increase use of articulated buses—to accommodate more riders.			
8.C) Promote greater interline service between TTC and neighbouring transit—to improve system feeder route volumes by attracting greater suburban riders			
8.D) Focus on fare process improvements—to enable greater ridership visibility and attract riders through electronic payment.			
8.E) Continue with existing initiatives such as Next Vehicle Arrival System—to facilitate more detailed information for the customer.			
8.F) Review the level of subsidy and service standards for Blue-Night routes—to determine the optimal level of service for the City in accordance with demand.			
9. Wheel-Trans Operations			
9.A) Accelerate training and implementation of Giro/Access scheduling software—to enable savings through same-day dynamic route scheduling.	\$1M annually by 2012	2012; 6 months	
9.B) Review and adjust long-term service mix across para-transit providers, and outsource maintenance completely if appropriate—to potentially contract out more services while maintaining service quality.	\$5-8M annually in the long term		
9.C) Improve procedures to reduce No-shows and Cancel at Door—through proactive notification via Integrated Voice Recognition (IVR)	\$0.2-0.5M annually in the long term		
Total Estimated Savings	\$57-101 million		