FPARS Project Overview

Audit Committee
May 29, 2013
Auditor General Recommendations

All nine (9) Auditor General recommendations—"Fully Supported"
The City of Toronto, through the FPARS project, will transform into a service-based, performance-focused, organization by improving how we plan, budget, and evaluate our services with clean financial, staff complement, and performance information organized by service.
FPARS: A Large Scale Business Transformation Project

• BIG
• TRANSFORMATIONAL
• COMPLEX
• MULTI-DIMENSIONAL
• ORGANIZATIONAL WIDE
• BASED ON BEST PRACTICES
• COUNCIL APPROVED
What is FPARS?

Two concurrent and integrated projects:

1. Business Transformation project
   - Implementing a multi-year planning and performance framework
     - Service View- ”What we do”
     - Plan, Budget and Evaluate- ”How we do it”
     - Performance View- ”How well are we doing”
   - Transitioning the organization through change management

2. Public Sector Budget Formulation (PBF) Implementation project
   - New SAP technology solution (tool) for end-to-end public sector budget formulation process
   - CoT working with IBM to configure & implement PBF tool
FPARS Background
FPARS History

2003

- Auditor General recommendations:
  - City develop long term strategic plan on future development of SAP
  - Establish SAP Competency Centre
  - SAP-First Policy

2004 / 2005

- SAP Competency Centre “Toronto Approach
  - Business Process Review
  - Best Practises redesign of processes
  - Coordinated information systems planning

- Council adopted budget framework
  - Multi-year operating budget
  - Performance Measures and Trends
  - Service Planning
  - Linkages between services & strategic plans
FPARS History (cont.)

2006 / 2007

Education
- Council approved $7.99m to begin Multi Year Planning & Budgeting Solution
- Develop a Common Service Language and approach through:
  ✓ Program Map (Service Based)
  ✓ Performance Measures
  ✓ Service Planning pilot

2008 / 2009

Foundation
- Council approved increase of $7.2m for a total of $15.2m for scope change to fix foundation
- Develop a City of Toronto Service Planning & Performance-Based Budgeting Process & Structure through the use of:
  ✓ Service Plans
  ✓ Multi-year Budget Delivery
  ✓ Program / Service Reviews

2010 / 2011

Continue to Build Foundation
- Council approved FPARS Capital Project of $55m for Business Transformation, PBF Implementation
- Established Service Standards and Service Levels (foundation for Core Service Review)
- Council reconfirmed Multi-Year Service Planning and Performance-Based Budgeting Process (2011)
FPARS History (cont.)

**Delivery**
- Implement SAP Public Sector Budget Formulation (PBF)
- Launch the new Service-based budget process including Service Planning
- Clean-up data in Accounting Services, Human Resources, and Pension, Payroll and Employee Benefits
- Assess the “maturity” of divisions to provide performance related measures
- Formulate an Enterprise Performance Management Strategy (EPM)

**Outcome**
Groundwork set for High Performing Service Based Organization
Translating to Public Service View

Organizational “Accounting” View

- Salary & Benefits
- Materials & Supplies
- Services & Rents
- Contributions To Subsidies
- User Fees
- Donations
- Contributions From

Program Maps

Public Service View

- Transparent
- Non-bureaucratic
- Public Focused

Org
- Geographic
- Function
- Activity
- Funding
- Asset
The SERVICE View

Program Maps show, at a high-level “What” we do..

Services Deliver “Output”

Services are presented from a PUBLIC not Organization perspective.
Enabling a Planning & Performance Framework
New Service-Based Financial Planning Process

**EVALUATE**
- Performance Measures
- Efficiency, effectiveness
- Outcomes
- Actual Expenditures

**STRATEGIC DIRECTION**
- Mayor/Council

**MONITOR**
- Complement Management
- Service View Actuals
- Service View / Performance Reporting
- Service Management & Control

**PLAN**
- Service Planning
- Performance Targets
- Complement Planning
- Multi-year Service Budget

**APPROVE**
- Administrative/political review
- Service changes

Citizen-Centric
Service-Based
Performance-Focused
Integration of Complement Planning with Complement Management enables better planning and control.
FPARS Re-engineered Processes

Planning and Performance Processes - New & Streamlined:
• Multi-Year Service Planning, Budgeting
• Complement Planning
• Monitoring and Reporting

Human Resources Management Processes - Streamlined/New Data Information:
• Complement Management (incl. Organizational Change Approval) & Vacancy Management

Accounting Services Processes - Streamlined:
• Cost Centre Re-Alignment to Service View
• Financial Controls/Accounts Payable / Accounts Receivable
• Purchasing Controls

PPEB Processes - Streamlined:
• Payroll Time Reporting Processes
Performance Measurement
FPARS Project Structure
FPARS Scope & Deliverables
### PROJECT DELIVERABLES: 2006-2009

**SAP Configured Solution**

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<thead>
<tr>
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<tbody>
<tr>
<td>FPARS Program Map Pilots</td>
<td>Program Maps (Divisions)</td>
<td>SAP PBF Assessment #1</td>
<td>SAP PBF Assessment #2</td>
<td>SAP PBF Assessment #1</td>
<td>SAP PBF Assessment #2</td>
<td>SAP PBF Assessment #1</td>
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<td>FPARS Proof of Concept</td>
<td>SAP Cost Centre Assessment</td>
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<td>FPARS Functional Requirements</td>
<td>Procure SAP Configured</td>
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* includes the assessment of Accounting, Payroll, and HR processes
PROJECT DELIVERABLES: 2010 - 2014

Business Transformation/PBF Implementation

Qtr 1 '10 Qtr 2 '10 Qtr 3 '10 Qtr 4 '10 Qtr 1 '11 Qtr 2 '11 Qtr 3 '11 Qtr 4 '11 Qtr 1 '12 Qtr 2 '12 Qtr 3 '12 Qtr 4 '12 Qtr 1 '13 Qtr 2 '13 Qtr 3 '13 Qtr 4 '13 Qtr 1 '14 Future

- Program Map Cost Centre Allocations
- Program Map Review and Updates
- Agency Program Maps
- Program Map Service Standards and Levels
- FPARS Complement Management Review
- New Multi-year Budgeting Process
- FPARS EPM Strategy
- Agency Program Map Review
- Blueprint - Budget / Actuals
- FPARS Implementation RFP v1
- FPARS RFP Submission Declined
- External Contractors on site
- FPARS Implementation RFP v2
- Solution Design & Prep for Budget Go Live
- Solution Design & Prep for Actuals Go Live
- Budget Sustainment
- Actuals Sustainment
- FPARS Recruitment Plan
- Operations Management
- FPARS Organizational Change Management Strategy
- Facilities & Space Management
- FPARS Communication Strategy
- Customer Service Standards Collaboration
- Enterprise Architecture Process Profiles
- BI / BW Tools
- FPARS Project
FPARS Benefits & Costs
<p>| Multi-year service and financial planning of services to provide a long-term view of City’s service delivery plan. | ✓ | ✓ | ✓ |
| Provide an Inventory of Services outlining Who, What, Where, Why, and How Much (basis for organizing Information in the City by service) | ✓ | ✓ | ✓ |
| Engage Council and public to discuss and determine “level of Service” | ✓ | ✓ | ✓ |
| Enables City to focus efforts on “Customer Groups” | ✓ | ✓ | ✓ |
| Regular Performance Reporting on City Services, objectives and targets | ✓ | ✓ | ✓ |
| Provide a “Report Card” to Council and Public to demonstrate success and whether we’ve achieved our objectives (staff and Council). | ✓ | ✓ | ✓ |
| Ability to cost and support cross divisional Council Priorities and Initiatives | ✓ | ✓ | ✓ |
| Improves transparency and accountability to the taxpayers regarding City Services, the value of those services, and the resource decision making (budget) process for those services. | ✓ | ✓ | ✓ |</p>
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<thead>
<tr>
<th><strong>Corporate Programs Benefits</strong></th>
<th>Corporate</th>
<th>Programs</th>
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<tbody>
<tr>
<td><strong>Reduced manual effort</strong> and eliminate duplicate systems development and business process costs as well as subsequent sustainment costs</td>
<td>✓</td>
<td>✓</td>
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<td><strong>Improved/standardized information</strong> to articulate program changes and resource allocations (Program Maps)</td>
<td>✓</td>
<td>✓</td>
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<td><strong>Maximized use of SAP</strong> as a management and operational tool-System of Record</td>
<td>✓</td>
<td>✓</td>
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<td><strong>Prioritization of operational support systems</strong> - work-order or timekeeping to link to new system</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td><strong>Reduced number of shadow budgeting systems</strong> that have to be managed/supported</td>
<td>✓</td>
<td>✓</td>
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<td>Service organized, “Clean” financial, complement and performance data</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td><strong>Efficiencies and Cost Saving</strong> achieved through process re-engineering allowing staff to focus on service delivery and not administrative functions</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td><strong>New Analytics and Reporting Capability</strong>—for financial, complement and performance information</td>
<td>✓</td>
<td>✓</td>
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## FPARS Budget Summary

<table>
<thead>
<tr>
<th>Description</th>
<th>Business Transformation/PBF Plan</th>
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<tbody>
<tr>
<td>SAP Configured Plan Budget (2009)</td>
<td>15.2</td>
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<tr>
<td>New SAP Technology Implementation</td>
<td>+ 12.0</td>
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<tr>
<td>Dedicated City Staff Teams</td>
<td>+ 17.5</td>
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<tr>
<td>Change Management Resources</td>
<td>+ 5.0</td>
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<tr>
<td>Project Office Space and Operations</td>
<td>+ 5.3</td>
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<tr>
<td><strong>2010 Revised Total</strong></td>
<td><strong>$55.0</strong></td>
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<tr>
<td>Description</td>
<td>Plan (Millions)</td>
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<tr>
<td>Actual Costs prior to 2009 (pre PBF solution)</td>
<td>6.0</td>
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<td>Information Technology Division Costs prior to 2009 (pre PBF solution)</td>
<td>2.3</td>
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<tr>
<td>FPARS Project Budget for Business Transformation and PBF Implementation</td>
<td>55.0</td>
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<td>Information Technology Division Costs to support SAP upgrade</td>
<td>3.9</td>
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<tr>
<td>SAP License Costs to support PBF</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$69.9</strong></td>
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FPARS Project Update
PBF Implementation Status

Requirements Completed - Done ✔️
Vendor Selected - Statement of Work Completed - IBM Done ✔️
Vendor Arrival date - April 2nd, 2012 ✔️
Project Preparation Activities - Done ✔️
Project Blueprinting Activities - Done ✔️
Solution (Budgets) - Go Live May 6, 2013 - Done ✔️
Solution (Actuals) - Target November 18, 2013 Underway

End User Budget Training - 400+ Divisional and Agency Staff Trained ✔️
<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
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<td></td>
<td>2013</td>
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<td>Service</td>
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<td>Multi-Year Planning</td>
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<tr>
<td>Complement Planning &amp; Management</td>
<td>PEP</td>
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In Summary, FPARS.....

Objectives:
• Transforming Business Processes
• Resetting Foundation
• Rationalizing & Leveraging Technology
• Building Corporate Capacity
• Realigning through Partnerships

FPARS

Deliverables:
• Multi-Year Planning
• Budgeting and Reporting in a Service View
• Performance Based Decision Making
• Dashboards & future Balanced Scorecard
Auditor General Recommendations

All nine (9) Auditor General recommendations- "Fully Supported"
Questions?