



Advancing a New Culture of Innovation and Partnership

Date: January 9, 2020
To: Executive Committee
From: The City Manager
Wards: All

SUMMARY

The purpose of this report is to advise City Council about the creation of CivicLabTO and the Toronto Civic Accelerator Program (TCAP), two key initiatives that advance strategic and innovative partnerships with public and private sector partners to support City priorities.

Complex city challenges can benefit from collaborative and multidisciplinary solution development. Partnerships offer the City new opportunities to develop creative and innovative solutions and approaches to City businesses and services. TCAP and CivicLabTO, led by the Toronto Office of Partnerships, the Information and Technology Division, and the Customer Experience Transformation & Innovation (CXi) Program, are two new unique opportunities to strengthen an environment of innovation and collaboration. CivicLabTO focuses on strategic alliances with the academic sector while TCAP focuses on business partnerships to address City challenges and opportunities through research, program development and the creation of new products and services.

CXi and the Toronto Office of Partnership (TOP) provide support and leadership in developing, supporting and embedding a culture of collaboration and innovation at the City. TOP develops and stewards strategic partnerships with corporate, philanthropic and institutional partners. These partnerships bring new expertise, knowledge, innovation and resources to address City challenges and explore new opportunities in support of programs that improve the lives of residents. Likewise, CXi works with programs and technology in an effort to apply a more outside-in and collaborative approach to the design and delivery of services and outcomes across the City. Whether a resident or a business operating in Toronto, CXi will look at interactions across these different segments and try to create more consistent and better experiences.

The City will promote and support innovation through collaboration and the empowerment of multi-disciplinary teams that seek to understand, empathize and engage users through Human-Centred Design, iterative testing and prototyping, challenging existing business models and leveraging data and technology.

RECOMMENDATIONS

The City Manager recommends that:

1. City Council direct the Director, Toronto Office of Partnerships, the Chief Technology Officer and the Director, Customer Experience Transformation & Innovation (CXi) report back to the Executive Committee on the interim results of the Toronto Civic Accelerator Program and CivicLabTO in 2021.

FINANCIAL IMPACT

There are no financial implications arising from this report. In 2020, the staffing and program costs for CivicLabTO and the Toronto Civic Accelerator Program will be managed through staff realignment and existing budgets. Any funding requirements beyond 2020 will be included as part of the Operating Budget submission for consideration by Council during future Budget processes.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting on February 10, 2015, City Council requested that the City Manager report on a "Town and Gowns" advisory body, or other appropriate structure, to facilitate enhancing the relationships between post-secondary institutions and the City to facilitate city building research and initiatives.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX2.1>

In response to this request, a report on "Enhancing City-Academic Relations" was submitted to Executive Committee in February 2017:

<https://www.toronto.ca/legdocs/mmis/2017/ex/bgrd/backgroundfile-101460.pdf>

At its meeting on June 24, 2019, the General Government and Licensing Committee directed the Chief Information Officer, the General Manager, Economic Development and Culture, and the Chief Purchasing Officer to identify the costs and benefits of implementing a permanent start-up in residence program, compare the Municipal Innovation Exchange (MIX) network and the City Innovate Start-up in residence (STIR) program with other innovative procurement programs at the City of Toronto, and make a recommendation on next steps.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.GL6.27>

COMMENTS

Toronto's Partnership and Innovation Context

Toronto is the largest centre of education, research and innovation in Canada. Furthermore, the City's start-up ecosystem is the biggest in Canada and it ranks in the top 20 most active start-up scenes in the world. Toronto is also home to over 70 incubators, accelerators and co-working spaces (including the MaRs Centre, one of the world's largest urban innovation hubs and a home for entrepreneurs building Canada's next generation of growth companies) that offers programs to support start-ups not only in tech, but a range of sectors including manufacturing, food production, fashion, and the arts and music. The commitment to collaboration and innovation is also a priority for the Toronto Public Service. Over the last few years in particular, the municipal government has undertaken a number of new initiatives to foster innovation and partnerships:

- In 2007, the City introduced the Unsolicited Proposals Process (UPP) to provide businesses an opportunity to propose new and innovative for-profit opportunities to the City outside of the regular procurement process. The UPP, which TOP administers, has specified criteria that ensures that the proposals considered are indeed unique and innovative, do not circumvent the City's regular procurement process and are of interest to the City. Since the introduction of the program, the City has received and processed more than 300 unsolicited business proposals.
- To further promote innovation at the City and to support Toronto's strong local tech sector, the Green Market Acceleration Program (GMAP) was established in 2016. GMAP, which is co-managed by TOP and the Economic Development & Culture Division, provides local firms with an opportunity to collaborate with the City in order to accelerate the development and commercialization of made-in Toronto green technologies. Participants accepted into GMAP gain controlled access to City-owned infrastructure and assets (i.e. buildings, streets, vehicles, water) and an opportunity to work with City staff on applied research, proof of concept or demonstration pilots for their new green technologies during the early stages of product development. Over the last 3 years, GMAP has received 63 proposals with 26 being accepted into the program.
- Beyond UPP and GMAP, in the last few years, the Purchasing and Materials Management Division (PMMD) has embarked on a supply chain transformation to help modernize the procurement process and introduce more flexible ways to procure. This work produced a number of new initiatives including the City's first Invitation to Partner (ITP). The ITP involved putting forth a City problem or "Challenge" and inviting potential partners to submit a proposal outlining how they would work with Toronto residents and City staff to design, build and prototype a solution in 12-16 weeks. The pilot project was met with strong support from many small and mid-sized companies throughout Toronto. By testing the Invitation to Partner approach, the City's overarching goal was to gauge the private sector's interest in this new procurement model while embracing an innovative mindset to addressing a municipal challenge. The successful applicant of the first ITP was a

local agency in Toronto called, The Working Group. The result was a digital prototype for a new Knowledge Base System for 311.

- Annually the City partners on more than 80 projects with universities and colleges and receives about \$20M annually in donations and sponsorships from more than 7850 donors and over 90 corporate sponsors respectively in support of City programs and initiatives. In addition, over the last few years, the City has seen increased interest from philanthropists looking to invest in city building. For example, in 2017, the City received a major gift of \$24M to support the Bentway.

The Toronto Office of Partnerships and the CXi

The Toronto Office of Partnerships

The Toronto Office of Partnerships works to develop innovative and collaborative approaches to improving the quality of life for residents by linking the City to corporate, philanthropic and institutional partners. There is recognition that partnerships can provide new expertise, knowledge, innovation and resources to support multidisciplinary problem solving, improve alignment, and identify new and creative opportunities to support the delivery of services and programs to improve the lives of residents.

In 2020, TOP will evolve into the new Strategic Partnerships Office (SPO) within the City Manager's Office to enhance the City's capacity for partnership and innovation. The SPO will establish strategic alliances with public and private sector organizations as well as provide service design, advisory support, facilitation, oversight and reporting capabilities to promote innovation, collaboration and partnership.

Specifically, the SPO will manage:

- the identification, solicitation and stewardship of philanthropic and corporate partners;
- DonateTO - the City's online donations portal;
- the City's United Way Campaign Office;
- the coordination, management, oversight and reporting of the Unsolicited Proposals Process, Green Market Acceleration Program and the Toronto Civic Accelerator Program;
- the development and management of new public and private sector alliances to support City goals and priorities;
- an Innovation and Partnership Academy which provides training and consultation support in order to build staff capacity to develop innovative approaches to service design and delivery; and
- the new CivicLabTO.

Customer Experience, Transformation and Innovation (CXi)

The new Customer Experience Transformation & Innovation (CXi) program was established in the Fall of 2019 to unify the City's customer service initiatives and to

focus on improving and transforming the customer experience. The team's mandate is to work with programs and technology in an effort to apply a more outside-in and collaborative approach to the design and delivery of services and outcomes across the City. Whether a resident or a business operating in Toronto CXi will look at interactions across these different segments and try to create more consistent and better experiences.

CXi will build on successful partnerships with organizations such as Code for Canada to augment our teams with in-demand skills and will deploy small teams to work with program areas to solve problems and think about delivering services differently. This approach also creates a talent pipeline that helps the City attract new skills to the Toronto Public Service.

Two New Programs Advancing Partnership and Innovation

Toronto Civic Accelerator Program

Building on the success of the initial Invitation to Partner pilot, the City is now looking to formally establish the Toronto Civic Accelerator Program (TCAP) which will allow the City to expand the scope and scale of the initial ITP and to provide additional opportunities for the City to harness the talent and innovation of Toronto's strong technology and start-up sector. TCAP will focus on specific civic challenges, create commercialization opportunities for early-stage businesses, and harmonize an approach to creating tailor-made solutions that benefit Toronto residents and businesses.

TCAP will focus on business modernization and, in the first year, emphasize primarily technology-based solutions to the identified challenges. While TCAP management, facilitation and oversight will be led by the new Strategic Partnerships Office, the Program's implementation, operational function and capacity will reside with the I&T Division.

The TCAP process will involve:

- outreach to staff to solicit City challenges
- identification of 2-3 City challenges annually
- an assessment of the host City division(s)' capacity to support the challenge and potentially purchase the solution if it is successful;
- distribution of the challenge (including scope and other criteria) into the marketplace to solicit interest;
- a feasibility review of the proposals received;
- establishment of the City team to work with the external partner on each challenge;
- a 16 week period of co-development, testing and assessment of the solution and;
- at the completion of the test period, a decision by the City whether to extend the development phase; purchase the end product/service/process through a non-competitive procurement or to forego the purchasing opportunity altogether. In all cases, the partner retains the intellectual property of the proposed solution while the City benefits from any lessons learned from the process which may be applied to future civic improvements.

To support the development of TCAP, the City will work with a network of southern-Ontario municipalities including the City of London, the City of Barrie and the City of Guelph and the MaRS Solutions Lab. This partnership will provide access to tools, resources and expertise related to Canadian government procurement policies and regulations; strengthen relationships with other Canadian cities and entities with experience in conducting civic challenges and strengthen our ability to support local innovation networks in Toronto.

CivicLabTO

In addition to collaborations with the private sector, there is also an opportunity to address civic challenges and opportunities by leveraging the resources, expertise and skills of Toronto's post-secondary institutions.

In 2017, Toronto City Council unanimously endorsed the report 'Enhancing City Academic Relations'. It also formally recognized the post-secondary education sector as a major economic engine for Toronto, contributing to the City's prosperity through education, employment generation, training, research and investment. Later that year, Toronto's City Manager hosted a meeting with the Presidents of several universities and colleges to discuss areas of mutual collaboration and to identify strategies to achieve key shared goals. This partnership led to the signing of a Memorandum of Understanding (MOU) between the City of Toronto and each of the 8 public higher education institutes (HEIs). In 2019, the City Manager re-engaged the 8 HEIs to: address areas of mutual interest related to post-secondary education; seek opportunities for sharing of information and best practices; as well as to identify opportunities to enhance coordination, collaboration, research and program innovation, and problem solving.

Through its partnerships with Toronto's universities and colleges, the City offers students and faculty: a living lab with an opportunity for exposure to real life problems and complex challenges; a chance to engage in change strategies and innovation; opportunities to test theories and conduct research; experiential learning opportunities and possibilities for networking. In return, academic partners offer the City: innovation, intellectual capital and energy; information for modelling and critical analysis; research and evaluation capacity, and the ability to raise research funds.

To promote and support City-Academic partnerships, the City:

- introduced access to a non-competitive procurement process with post-secondary institutions to facilitate the purchasing of research;
- an Omnibus Agreement governing unpaid placements;
- an MOU between the City and each institution to expedite partnerships; and
- a survey to collect ongoing relationship data.

There are currently numerous points of contact between the City and its post-secondary partners. In 2017/18, City data shows that there were more than 80 City-Academic partnerships. However, City staff and faculties seem to just "find each other" on an

ad hoc, as-needed basis. This approach has resulted in inconsistencies and a lack of strategic decision-making on which initiatives to collaborate.

To create a more systematic approach to collaboration between the City and its 8 universities and colleges, a new strategic partnership program (CivicLabTO) will be established. CivicLabTO will see the City and the HEIs work collaboratively on research projects, program innovation and the development of real solutions to complex City challenges and opportunities. The CivicLabTO model will provide:

- coordinated brokerage, management, stewardship and oversight of City university/college partnerships;
- a collaboration summit every two years to identify challenges and opportunities and to review past initiatives.
- a governance structure with a City Manager-led City/Academic collaboration to set the work plan and ensure institutional support;
- a CivicLabTO website – an interactive site open to HEI Faculty and students and City staff with resources and information about current collaboration opportunities as well as project reports from past collaborations;
- identification of 1-2 strategic projects every two years and, on an annual basis, 10-15 term-based class projects; and
- a dedicated staff resource to support the development and implementation of CivicLabTO.

CivicLabTO will build on the success of other Canadian and US cities to create an innovation hub that unites City staff, post-secondary students, faculty and community to work together to design experimental projects and term-based research for students. These opportunities will be located either on-campus, at the City, or in the community. The City-Academic partnerships will aim to develop human capital, promote the exchange of research and develop new approaches to City services and programs. The partnership projects (led by a team of City staff together with professors and students) will work to solve a given challenge in a unique or innovative way.

In addition to the 10-15 term-based projects, CivicLabTO would partner on 1-2 large, in-depth projects every two years with research and design teams comprised of City staff, academics and other public and private sector stakeholders. The projects would be overseen by a City/Academic research advisory committee established to direct activities and to identify opportunities (including research funding).

Both the potential term-based student projects and the longer-term research collaborations would be identified by city staff, academics, community members and political representatives at a summit every two years. The first summit will be held in the fall of 2020 to ascertain the collaborative projects for the 2021-2022 cycle. As an interim measure, 2020 projects will be identified by the City's Senior Leadership Team (SLT) and representatives of the 8 public HEIs.

Complex city challenges can benefit from collaborative and multidisciplinary solution development. Partnerships with public, private and institutional partners can help the City identify new opportunities and develop creative and innovative solutions. The new Strategic Partnerships Office and the Customer Experience Transformation &

Innovation (CXi) program provide leadership in advancing this new culture of innovation and partnership. CivicLabTO and the Toronto Civic Accelerator Program build on the success of City experiences and the work of other Canadian municipalities and US programs to offer two new ways to strategically engage partners in the co-development of innovative solutions to City challenges. The multidisciplinary approach to these initiatives will engage services areas across the City to work with partners in solution development with the SPO providing coordination, program development, facilitation, relationship management, oversight and reporting.

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SIGNATURE

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