



Taking Back Control of Our City Services to Deliver Higher Standards, Lower Costs and Greater Accountability

Moved by: **Councillor Matlow** __

Seconded by: **Mayor Chow** __

Summary:

The City employs thousands of motivated, skilled, and trained professionals and subject matter experts. The services and advice that these public servants provide on a daily basis helps to ensure that Toronto is consistently ranked as one of the best cities in the world to live in.

Unfortunately, a troubling trend has emerged in recent years. Spending on outside consultants rose markedly over the tenure of the previous administration. From 2014 to 2023 (the most recent year data was made available), the City and its Agencies increased spending on outside consultants from \$11.2 million to \$57.7 million. This figure does not capture considerable additional expenditures on consultants involved with the delivery of capital projects.

While the City will always require some external expertise, core responsibilities such as playground design, planning studies, and crosswalks should not be contracted out to high-priced firms. Apart from the increased cost of contracting consultants, there are also ancillary benefits of performing more of this work in-house. A City of Toronto employee has flexibility to perform several roles on our residents' behalf as opposed to an outside consultant hired to do a discrete task. Job satisfaction is also higher when public servants are engaged with the work they trained for instead of managing external partners to perform the same job. Hiring consultants also involves issuing an RFP, which can delay the start of a project by months while staff evaluate the contract bids.

This motion requests the City Manager and Division Heads to prioritize the use of our public service over procuring outside consultants to more effectively deliver services for Toronto residents.

Recommendations:

1. City Council direct the City Manager and the Chief Financial Officer and Treasurer to request Division Heads to prioritize the use of internal resources for consulting services over procuring external resources/contracting out.

2. City Council direct the City Manager and the Chief Financial Officer and Treasurer to review the City's Selection of Hiring of Consulting Services Policy and identify any revisions to support recommendation 1 above.
3. City Council direct the City Manager and Chief Financial Officer and Treasurer to explore:
 - a. opportunities to in-source consulting services which have been contracted out, as existing contracts expire;
 - b. developing internal resources to address the top 5 operational areas for which the City procures consulting services;
 - c. prioritizing the use of internal expertise as new consulting services are required;
4. City Council direct the City Manager and Chief Financial Officer and Treasurer to report to the appropriate Standing Committee in Q3 2026 on the outcomes of Recommendation 2 and 3.