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City of Toronto
Service Efficiency Study Program:

Parks, Forestry & Recreation (PF&R)

Statement of Work for External Management Consultants
Roster Assignment #9144-11-7001-Cat2MC13-11

October 3, 2011

1. Background

- a) The City Manager has established a Roster for the provision of consulting services for a range of Assignments (REOI # 9144-11-7001).
- b) This Statement of Work (SOW) is provided in accordance with the requirements of the REOI, and the Assignment will be conducted within the terms and conditions stated in the REOI, especially Appendix B, and its Addenda. For purposes of clarity, some REOI terms and conditions may be repeated in this SOW.
- c) The City Manager wishes to engage an external Management Consultant to assist with Toronto's Service Efficiency Study of the Parks, Forestry and Recreation division.
- d) As set out in the City Manager's report to Council dated March 8, 2011 (Attachment A) the City is facing difficult decisions in 2012 and future years to meet its budget challenges. To support City Council's 2012 budget deliberations, the City Manager will undertake Service Efficiency Studies of several City divisions, agencies, and cross-cutting functions.
- e) Invited Consultants are required to submit a proposal and work plan tailored to the Service Efficiency Study or Studies as described in this SOW. The submission will include, at a minimum:
 - o Proposed work program with work plan and deliverables;
 - o Time schedule;
 - o Costs/fees; and
 - o Any other information required in response to this SOW
- f) Proposals submitted by invited Consultants will be assessed in terms of completeness of the work program, understanding of the assignment, appropriateness of the Consultant team, acceptable time frame and schedule for the work, and acceptable cost.

- g) An interview may be held at the sole discretion of the City to refine service scope, prioritize issues, or review the respective responsibilities between the City staff team and the Consultant and proposed team members.
- h) An agreed upon work plan including timelines and deliverables and cost/fees will be approved by the City prior to the commencement of the assignment, through a letter of agreement.

2. Project Purpose

The City has begun a program of Service Efficiency Studies. Several areas have been identified for review during 2011 including the Parks, Forestry and Recreation (PF&R) Division. The purpose of the Service Efficiency Studies is to identify and supply actionable recommendations that will provide the maximum of service efficiency savings in the shortest period of time. To that end, the project review should consider a broad range of strategies and apply the most effective methodologies to achieve the stated purpose, for example:

- Business process and work methods streamlining
- Organizational restructuring
- Outsourcing
- Automation
- Shared services
- Service innovation

The results of the Service Efficiency Studies will be reported to the City Manager and will be implemented through the annual budget process in the fall of this year.

3. Services Required – Overall Role & Deliverables for External Consultant

a) Background Data & Information:

The City will provide general background data and information, including:

- (i) Suggested areas of study focus to be reviewed and assessed by the Consultant;
- (ii) An inventory of services, service levels and standards, activities and types;
- (iii) Financial and budget data;
- (iv) Organization charts;
- (v) Workforce data including staffing information;

- (vi) Recent organizational and service reviews, policy directions, reports and Council decisions;
- (vii) Business process data;
- (viii) All other available information related to particular services and activities.

b) Consultant Deliverables:

Working with City staff, the external Management Consultant's role and deliverables will include:

(i) *Confirm Focus Areas and Methodology*

Using the baseline information, initial focus areas suggested by the City and additional data, identify the areas of focus and the most appropriate methodologies with the greatest potential for cost savings and improved service delivery.

(ii) *Assess Service Efficiency*

Within the areas to be focussed on:

- Identify and assess the costs and cost drivers of current practice
- Review and assess services, activities and methods
- Compare against service providers in other jurisdictions using comparable and relevant best practices
- Analyze and compare service benchmarks and measures
- Assess against other relevant information

(iii) *Identify and Recommend Opportunities for Improved Efficiency and Cost Savings*

- Identify and recommend changes to work methods, processes, responsibilities, and other factors that will result in the most cost savings and the greatest improvement in service delivery.
- Identify opportunities for introducing more cost-effective and efficient program delivery applications that would result in the same benefits.
- Provide cost savings estimates and implementation details and steps that will address the changes you have identified and recommended.
- Provide advice and recommendations about which changes can be made quickly, e.g., for savings in 2012, and which will take longer to implement.
- Identify and provide advice on the costs required to make changes including any short term financial investments.

- Provide advice about any risks and implications for service delivery, policy development, finances, cross divisional or enterprise wide human resource impacts, and other effects of alternatives and changes.

(iv) *Provide reports and documentation*

Provide documentation, reports and presentations for the City Manager as required for each of the deliverables and providing other advice as identified throughout the review process.

(v) *Work with divisional and agency staff as required.*

(vi) *Attend, support and provide documentation for status and/or planning meetings with the City Manager, the designated Project Manager, the divisional General Manager, the City staff team, the City Steering Committee established for Service Review activities, and/or other City officials as required.*

4. Project Reporting Process and Time Line

- a) The Service Efficiency Studies will be conducted on an accelerated timeline.
- b) The City wishes to engage the external Management Consultant for a 8-10 week study beginning in approximately mid-October 2011 and ending no later than December 31, 2011. The City is requesting that the areas of review be conducted in three phases that are detailed further in section 5.3.
- c) Wherever possible the results of the Service Efficiency Studies will be reported out through the City's 2012 or 2013 Budget Process.

5. Service Efficiency Study – Specific Areas of Review for the PF&R Division

The Parks, Forestry and Recreation (PF&R) Division provides a wide variety of leisure and recreational opportunities to all Toronto residents. The Division strives to provide equitable access to high calibre recreational programs, efficiently operated facilities, and safe, clean and beautiful parks, open spaces, playing fields, trails, ravines and forests. The Division has 3 main service areas: Community Recreation; Parks; and, Urban Forestry and delivers its services using a District model.

(i) *Community Recreation:*

Provides recreation programs and services in a customer-driven, high quality, accessible, equitable and innovative manner including:

- Recreation Service Plan development;
- Design/development of new facilities and repair of existing facilities;
- Delivery of instructional programs;
- Delivery of drop-in programs; and
- Issuance of permits for facility use by individuals and groups.

(ii) *Parks:*

Provides clean, safe and well-maintained green space, beaches, and park amenities for passive and active permit use including:

- Multi-year Parks Plan development;
- Design/development of new parks and repair/redevelopment of existing parks;
- Produce & provide plants for garden, conservatory & parks displays;
- Provide ferry operation services to Toronto Island Park;
- Manage and maintain natural areas (restoration and preservation);
- Operate two animal farms and one zoo in the City; and
- Promote urban agriculture and food production within the City.

(iii) *Urban Forestry:*

Provides a state of good repair and enhancement of the urban forest asset such as street trees, commercial trees, park trees, and natural areas including:

- Maintain a multi-year Urban Forestry Service Plan;
- Protect existing tree and natural area assets from damage/removal, establish policies on tree planting, preservation, and growing conditions (e.g. review of construction plans, processing of permit applications, and by-law enforcement/compliance);
- Promote more tree planting on City, private and public lands and in partnership with other agencies, groups, and volunteers;
- Manage and maintain the health and life-span of the urban forest; and
- Manage storm damage emergencies and hazardous trees.

5.1 Study Focus

The focus of this study is to deliver the Services Required in this Statement of Work (in part 3(b) above) by examining cost-drivers within the division.

This study will focus on examining and providing advice and recommendations on alternative service delivery models such as contracting out, public/private partnerships, shared service and mixed models and other viable approaches for certain City owned assets and services delivered, listed in Section 5.2 below, i.e., golf courses, ski hills, farms, community centres, and parks maintenance. Areas outside of this focus will not be examined.

In undertaking this work the consultant will consider the City's priority of providing equitable access to high calibre programs and facilities, while identifying all viable options to gain efficiencies.

Specifically the consultant will:

- a) Identify and make recommendation on the range of options for alternative service delivery models, including their pros, cons, and implications.
- b) Identify and document service delivery models used in other comparable jurisdictions.
- c) Identify any service efficiency gains that could result from implementing alternative models.
- d) Examine documents and approaches that have been used in past efforts to pursue alternative service delivery models and provide recommendations on how to make future efforts more viable, i.e., what are the necessary conditions for private sector interest and involvement in the management and operations of such assets.
- e) Provide advice on the criteria currently used in PF&R to assess community centre viability and continued operation.
- f) Provide advice on the most effective delivery and planning model to determine the best balance of recreation services offered.

5.2 Assets and Activities included in Study Focus

a) Golf Courses:

The City of Toronto operates 5 Golf Courses in a mixed service delivery model. The maintenance of Golf courses and management of contractors are performed by the City by 4 Management and 10 full time and 45 seasonal Local 416 staff. Course maintenance includes all turf cutting, maintenance of turf to ensure proper turf health, management of course amenities, setting up golf courses for seasonal play etc.

The Pro Shop operations are contracted out to a private party whose agreement is expiring this year. Pro shop operations include collection of Green Fees, managing golf car fleet, Golf clinics, teaching, working with youth and seniors on golf programs, sale of golf supplies, clubs, balls, clothing etc. there is a CPGA pro golfer at each site to deal with public concerns and teaching programs.

Food and beverage services in Golf courses are contracted out as well. This includes providing food service in clubhouses, mobile food and beverage service on the golf courses and food services for special events on golf courses when requested. This agreement is also expiring in 2011.

Although Golf operations generate net revenues over \$ 1 million per year for the Division, it is expected that these revenues will continue to decline. PF&R Courses have been experiencing a steady decrease in total golf rounds played since 2000. This is on par with the international estimates of golf decreasing approximately 4% annually. In 2010, there were 172,000 rounds played in the five golf courses, where the largest Golf Course, Don Valley, comprised 25% of all of our golf rounds.

b) Ski Hills:

The City of Toronto operates 2 ski hills in Centennial and Earl Bales Parks for a net cost of \$0.6 Million. There may be efficiencies from a public/private partnership for the maintenance and operation, including capital investment, of the City's two ski/snowboard centres.

This idea has been considered a number of times in the past. In June, 2002 Ski Hills were considered for the Council mandated review Alternate Service Delivery and Service Improvement Initiatives. Due to the capital investment required of a private operator and the length of lease expectations to be a minimum of 20 years for return on investment, a decision was made not to proceed with the release of the Request for Proposal to test private sector interest in establishing a public/private partnership for capital development and operation of ski centres. In 2010, a budget proposal to contract out ski centres was approved, but due to lack of proponents for the RFP issued, the ski hills remained operated by the City.

The issues causing lack of interest include the seasonal nature of the business, condition of the assets and the need for the proponent to pay for water and property taxes. Ski Hills have close to \$3 M in capital improvements scheduled for the next 3 years. A full cost recovery for the division would require a fee increase over 30%, which would put the City Operated Ski hills in line with similar regional facilities.

This study should re-examine the potential to contract out the maintenance, operation and capital investment of the City's ski hills. In particular it would be useful to learn from the previous attempts and identify what conditions would need to be in place to generate the right kind of external interest while ensuring the City's priorities are met.

c) Farms:

The City, through PF&R, currently operates and maintains three farms: High Park Zoo, Riverdale Farm and Far Enough Farm. The farms all offer free admission.

High Park Zoo has been a permanent fixture in High Park since 1890 and has thousands of annual visitors. It has both domestic and exotic animals including bison, llamas, peacocks, deer, highland cattle and sheep. There are nine paddocks that house the animals.

Riverdale Farm is located on a 7.5 acre site and is enjoyed by an estimated 800,000 people per year. There are over 200 volunteers involved in various activities at the farm including: Community Advisory Council, buildings & grounds, special events, garden clubs, nature and the environment committees, Friends of Riverdale Farm etc. The farm is also heavily used by school boards from across the province to teach students about early farm life in Ontario. The Farm is comprised of scenic pathways, Simpson House, Residence and Meeting House, Francey Barn and historic farm ruins. Programs and seasonal events are held at the Meeting House and Residence.

Far Enough Farm is an historic petting zoo located on Centre Island and significant tourist attraction.

d) Community Centres:

Currently, the majority of the City's community centres are operated by PF&R. However, there are a small number of examples where a mixed model is successful.

The vehicle for mitigating operating impacts of facilities while keeping the asset available for community use is Below Market Rent agreements. In 2006, Council directed that tenants in Below Market Rent spaces be responsible for all operating and maintenance costs and any property taxes associated with their leased premises. The facilities remain available to residents but the operating costs are the responsibility of the tenant.

Operating impacts can also be mitigated by a hybrid staffing and program model that would see Parks, Forestry and Recreation staff anchor the facility, and directly operate a variety of core programs, along with permitting of spaces within the facility by either individuals or groups in accordance with the council approved Parks, Forestry and Recreation Permit Allocation policy.

This study should examine the viability of expanding alternative service delivery models for asset management and operation and the provision of recreation programs and services.

e) Parks Maintenance:

The City maintains 4,356 hectares of parkland including natural parkland, beaches, sports fields, trails, paths, wading pools, splash pads, playgrounds, tennis, skateboard and sports courts, roads, parking lots, and horticultural spaces. The study should examine the viability of contracting out all or part of maintenance activities which include parks inspections, litter and debris pick up, grass cutting, turf restoration, washroom cleaning, graffiti removal, planting, weeding and cultivation of horticultural beds (annual and perennial flowers, shrubs and small trees), beach grooming and snow removal, sanding and salting.

The study should consider alternative models of delivery, as well as efficiency measures that could be applied in areas such as work assignment and crew deployment.

f) Recreation Service Planning

Every year, the Parks, Forestry and Recreation Division delivers over 70,000 recreation programs and 5200 drop-in programs at over 400 program locations throughout the city. In 2010, there were approximately 8 million visits to recreation programs and services and over 23,000 permits issued for recreational use in City facilities. Over 8200 part time staff with an annualized payroll of over \$59 M is involved in the delivery of these programs and services which generates approximately \$53.1 M in revenue through various user fees.

There is currently no standardized annual planning approach to determine the types of programs, balance of external permits and level of service offered at the City's community recreational facilities. Additionally, staffing and delivery approaches vary across facilities with service delivery decisions made through a combination of informal demand and demographic analysis, historical community preferences and interests, and a seasonal review of program statistics.

The study will examine the most effective delivery and planning model to determine the best balance of services offered including:

- Approaches to ensure trends and demographic assessments are incorporated into planning models;
- Efficiencies related to maximizing outputs of recreation staff in program delivery to ensure the most effective deployment of staff for the maximum level of service;
- Efficiencies related to non-program part time staffing supports in recreational facilities; and
- Efficiencies related to permit planning and implementation.

5.3 Study Phases for Areas of Review

The areas of review will be based on the following timelines:

Phase 1 – Findings and recommendations related to Parks Maintenance in 5.2(e), and Recreation Service Planning in 5.2 (f), will be required by approximately mid-November 2011.

Phase 2 – Findings and recommendations related to Golf Courses in 5.2 (a), Ski Hills 5.2 (b), and Farms 5.2 (c), will be required by approximately November 30, 2011.

Phase 3 – Findings and recommendations related to Community Centres in 5.2 (d), will be required by approximately December 31, 2011.

6. Project Management

The external Management Consultant will report to the City Manager through the Strategic and Corporate Policy Division. The City Manager's delegate and key project contact is:

Lynda Taschereau
Strategic and Corporate Policy Division
City Manager's Office
11th Floor, East Tower, City Hall
Telephone: 416-392-6783 E-mail: ltascher@toronto.ca

7. Attachments and Information

Respondents are reminded to please refer to the original REOI and Addenda, especially Appendix B, Terms and Conditions. Additional information to assist with Responses to this Statement of Work is:

- A. Council Report: Service Review Program, 2012 Budget Process and Multi-Year Financial Planning Process
<http://www.toronto.ca/legdocs/mmis/2011/ex/bgrd/backgroundfile-36612.pdf>
- B. Profiles of City Programs, Agencies and Corporations (as contained in Council Briefing Book, Volume 2) – Please refer to the PDF document attached to the e-mail inviting your firm to respond to this SOW.
- C. 2011 Budget Information is available at www.toronto.ca/budget2011
- D. Organization charts for areas under review.