

City of Toronto  
Service Efficiency Study Program  
*Museums: Economic Development and Culture Division*  
Statement of Work for External Management Consultants  
**Roster Assignment # 9144-11-7001-Cat2MC14-12**

March 29, 2012

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 City owned and operated museums under the Economic Development and Culture Division.
- d) As set out in the City Manager's report to Council dated January 6, 2012 (refer to D. in Section 7) the City continues to face difficult decisions in 2012 and future years to meet its budget challenges. To support City Council's 2013 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 Any other information required in response to this SOW;
  - o Total costs/fees; and
  - o Identification of museum expertise as part of team.
- f) Proposals submitted by invited Consultants will be assessed in terms of completeness of the work program, understanding of the assignment, appropriateness of methodologies, appropriateness of the Consultant team, including museums' sector expertise with demonstrated knowledge of broad-based museums operations and practices, 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 2012 including City-owned museums under the operation of Economic Development and Culture 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; and
- Service adjustments.

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

### a) Background Data & Information:

The Economic Development and Culture Division in consultation with the City Manager's Office will provide general background data and information, including:

- (i) Suggested areas of study focus to be reviewed and assessed by the Consultant (provided in Section 5, Study Focus);
- (ii) Information on 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; and
- 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, including alternate service delivery options that would result in the same or better 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., savings in 2012, or 2013, and which will take longer to implement;
- Identify and provide advice on the costs required to make changes including any short term financial investments; and
- 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 General Manager, Economic Development and Culture, the Director, Cultural Services, the City staff team, the City Steering Committee established for Service Review activities, and/or other officials as may be 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 by April 16, 2012, with completion of the final report by no later than May 31, 2012; and
- c) Wherever possible the results of the Service Efficiency Studies will be reported out through the City's 2013 Budget Process.

5. Service Efficiency Study – Specific Areas of Review for Economic Development and Culture

The Economic Development and Culture Division provides Economic Competitiveness, Cultural Development and Business Support services for the City of Toronto (see Attachment A - Program Map) with an approved establishment of 275.8 positions, consisting of non-union and unionized positions across Toronto. The approved operating budget is \$23.971 M net.

**City Museums Overview:**

Since 2000, the City of Toronto has been directly providing museum services. The museums, formerly operated by six municipalities under a variety of governance models and with widely varying levels of professional expertise and resources, were centralized under the new Museums & Heritage Services unit in the City's new Culture Division in 2000. The Market Gallery resides under the Arts Services unit. In 2005, the Culture Division was reorganized as the Cultural Services Section in the newly created Economic Development and Culture Division. A number of small scale reorganizations have taken place in this Section since 2007, including the Museum & Heritage Services unit.

The City's responsibility is two-fold:

- 1) To manage these significant heritage resources, providing appropriate maintenance to the fragile heritage fabric as well as providing for the development and strategic management of these resources.
- 2) To provide Torontonians and tourists opportunities for inspiration and exploration of Toronto's history to help distinguish the city from others in the world.

### Museum & Heritage Services Operations

Under the current model, the City is owner and trustee of 11 museums as follows:

- 9 historic-site museums: Fort York National Historic Site, Spadina Museum, Colborne Lodge, Mackenzie House, Montgomery's Inn, Gibson House, Zion Schoolhouse, Scarborough Historical Museum, and Todmorden Mills Heritage Site;
- the York Museum housed in a city-owned recreation facility; and
- the Market Gallery located in the St. Lawrence Market building.

The Museums & Heritage Services unit offers a wide range of experiences from guided tours, hands on workshops, curriculum-based programmes, kids' camps, overnights, in situ drama presentations, birthday parties and special events, as well as rental, volunteer and internship opportunities.

### Collections Management: Museum Artefacts

The Collections & Conservation unit, under Museums & Heritage Services, manages an historic collection of 150,000 artefacts and 1.1 million archaeological specimens that span the 11,000 year history of human occupation in the Toronto region. The collection is housed primarily in a special city-owned facility.

### Market Gallery: Operations and Fine Art Collection

Operated under the Arts Services unit of Cultural Services, EDC, the Market Gallery administers the City of Toronto fine art collection, consisting of 2,700 moveable works of art including paintings, sculptures, water colours prints and drawings dating from the middle of the 19<sup>th</sup> century to the present. Located in the former civic council chamber in the historic South St. Lawrence Market, the Market Gallery tells the stories of Toronto through art and historical exhibits, heritage educational programs and special events.

## Cultural Assets

Operated under the Cultural Affairs unit of Cultural Services, EDC, Cultural Assets is responsible for the asset management for all cultural facilities owned and operated by the City of Toronto and all capital improvements to Cultural Services' portfolio of more than 60 properties, both City-operated and leased to third parties.

## Fork York National Historic Site

The City is three months from the start of the Bicentennial Commemoration of the War of 1812 and the Fort York Foundation is in the midst of a capital campaign to effect the greatest transformation of the site ever, specifically the construction of the Fork York Visitor's Centre, a new cultural attraction in the City.

The impact of Fort York's transformation cannot be assessed until after the War of 1812 Bicentennial activities are completed in two years. However, any recommendations emanating from this review that can apply to the Fort York organization should be included.

### 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 the consultant examining the cost-drivers, revenue generating capacity, and alternative service delivery models in Cultural Services, EDC specifically through review of the following areas:

Part A: Museum & Heritage Services operations, including the artefacts collection, and asset management.

Part B: Market Gallery operations, including the fine arts collection.

Part C: Fork York National Historic Site.

The study must take into account the ability to meet professional museums and customer service standards, and provision of an appropriate level of trusteeship in terms of maintenance and development of the city's most significant heritage assets.

Professional standards are set by the province for museums that receive funding through the provincial Community Museum Operating Grant program. City of Toronto museums receive funding through this program and therefore must meet these standards which relate to museum activities such as collections, exhibitions, interpretation and education, research conservation, and physical plant.

Ethical standards are set by the Canadian Museums Association.

The study will also need to examine the services inside and outside the division that provide program support to the areas under review:

- budget and financial services;
- snow clearance/grass cutting/cleaning;
- communications and marketing; and
- Human Resources and Payroll.

Specifically, the consultant will:

- a) Identify areas for short term and longer term cost-saving opportunities and service efficiencies.
- b) Identify and make recommendations on viable options to increase revenue generating capacity.
- c) Identify and make recommendations on artefact and fine art collection management efficiencies and identify revenue generating opportunities.
- d) Provide advice on options for organization structural change that makes the best use of potential efficiencies, such as opportunities to better coordinate administration; to reduce program overlap or duplication; and to rationalize the continuing need for specific programs.
- e) Identify and document service delivery models used in comparable jurisdictions.
- f) Identify and make recommendations on the range of options for alternative service delivery models such as non-profit/Foundation take-over; or, other government take-over per City donating the assets; or, some type of public-private partnership, or, sale of the assets including pros, cons, service efficiency gains, and implementation implications.
- g) Identify and make recommendations on strengthening the City's heritage assets' fundraising ability, by considering public/private models adopted by other levels of government and by reviewing the partnership model adopted by the City's War of 1812 Bicentennial program, and identify whether these models have applicability for incorporation into the existing City governance model, or a new governance model.

## 6. Project Management

The external Management Consultant will report to the City Manager through the Strategic and Corporate Policy Division. The City Manager's designates are:

CMO Project Lead:

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City Manager's Office  
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Museum SES Project Manager:

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Citizen Focused Services A  
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Phone: 416-392-7719  
E-mail: [vcohn@toronto.ca](mailto:vcohn@toronto.ca)

7. Attachments and Information

Respondents are reminded to 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. Program Map Economic Development & Culture Division-[Attachment A](#).
- B. Council Directives on Museums & Heritage (when considering the Core Service Review potential action findings) - [Attachment B](#).
- C. Report from the City Manager on the Update on the Core Service Review and Service Efficiency Studies (January 6, 2012) – <http://www.toronto.ca/legdocs/mmis/2012/ex/bgrd/backgroundfile-44209.pdf>

Appendix A to Item BU21.1 - Status of Council Decision on the Core Service Review (January 6, 2012) –

<http://www.toronto.ca/legdocs/mmis/2012/ex/bgrd/backgroundfile-44210.pdf>

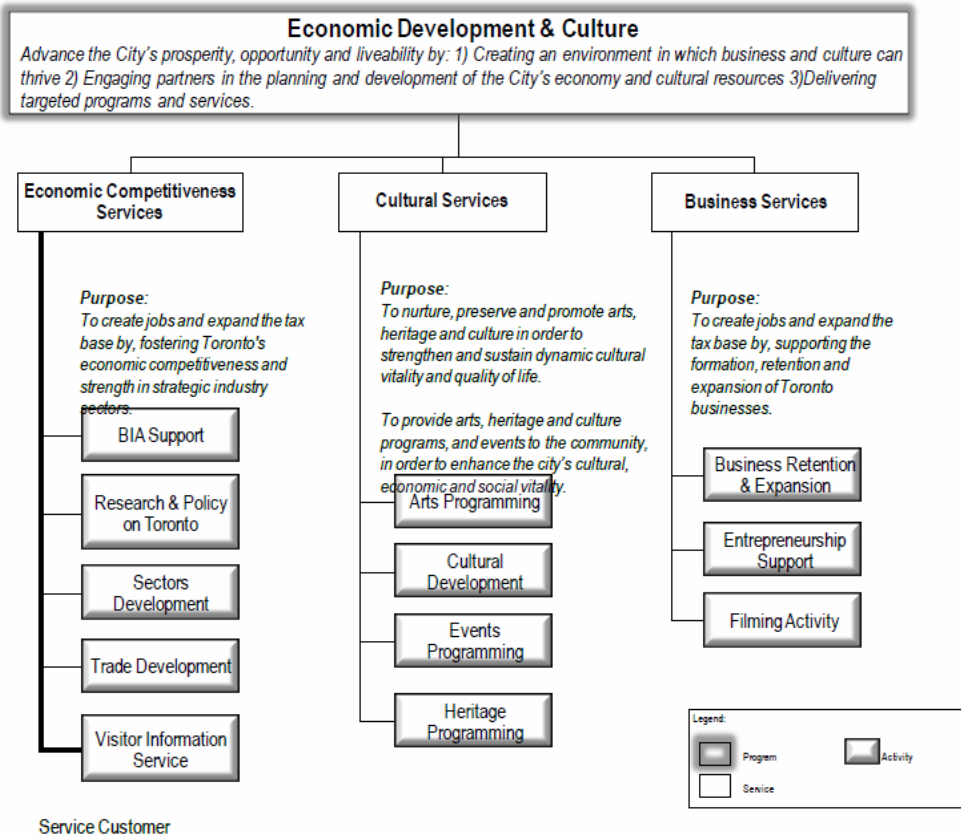
Appendix B to Item BU21.1 - Status of the Service Efficiency Study Program (January 6, 2012) –

<http://www.toronto.ca/legdocs/mmis/2012/ex/bgrd/backgroundfile-44211.pdf>

- D. Profiles of City Programs, Agencies and Corporations (as contained in Council Briefing Book, Volume 2) – Refer to [PDF document attached to the e-mail](#) inviting your firm to respond to this SOW.
- E. 2011 Budget Information is available at [www.toronto.ca/budget2011](http://www.toronto.ca/budget2011)
- F. City of Toronto Historic Museums– Refer to link:  
<http://www.toronto.ca/culture/museums/index.htm>  
  
Market Gallery – Refer to link:  
[http://www.toronto.ca/culture/the\\_market\\_gallery/index.htm](http://www.toronto.ca/culture/the_market_gallery/index.htm)
- G. Organization charts for areas under review [are attached to this SOW, as Figures 1, 2, and 3.](#)

## PART II: 2012 SERVICE OVERVIEW AND PLAN

## Program Map and Service Profiles



**ATTACHMENT B**  
**COUNCIL DIRECTIVES (FROM CORE SERVICE REVIEW)**  
**RELATED TO MUSEUMS & HERITAGE**

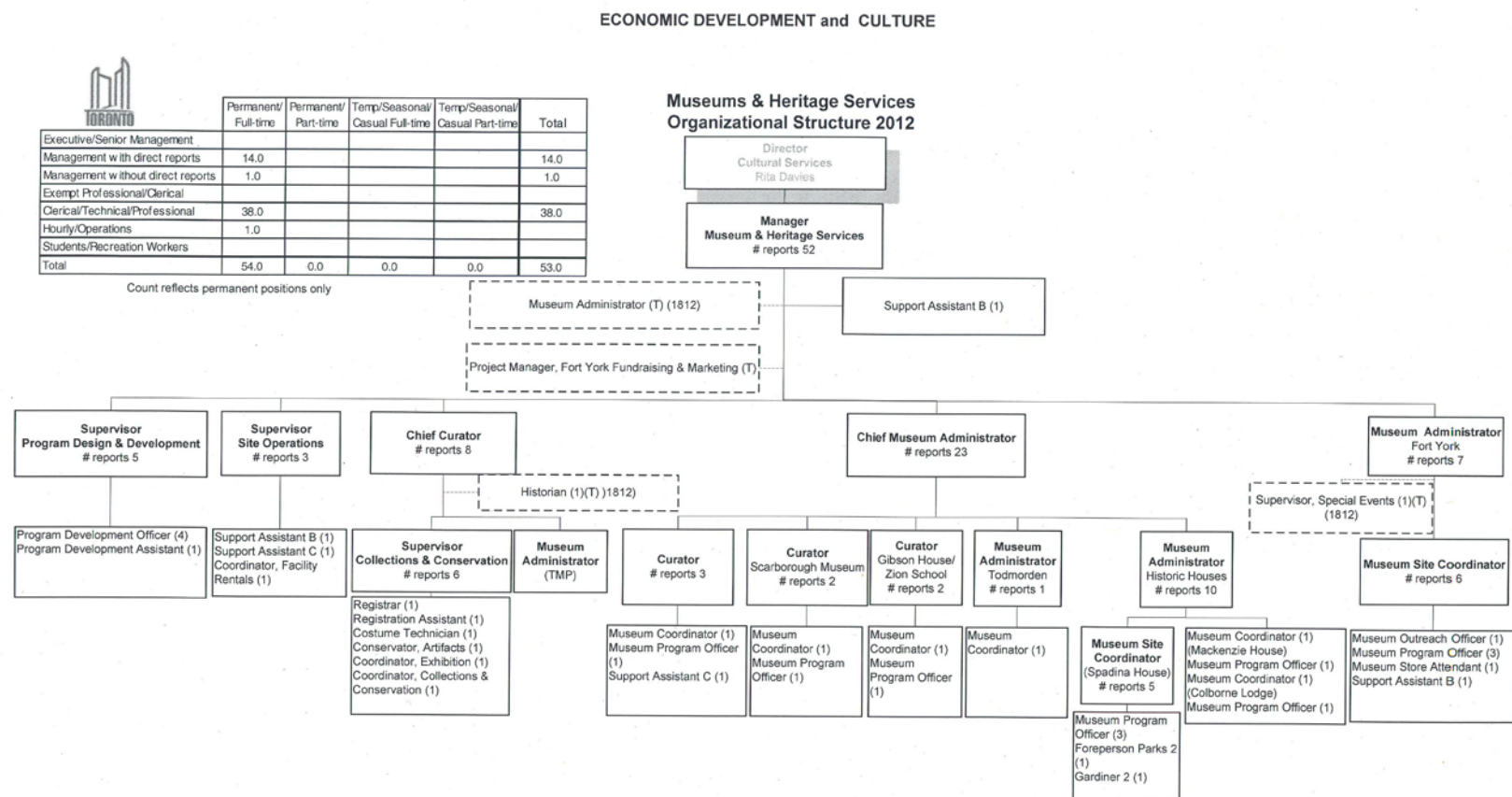
**MUSEUMS AND HERITAGE**

- City Council refer the following Executive Committee Recommendation to the City Manager for further consideration and the City Manager be directed to consult with Heritage Toronto: Economic Development and Culture -- Reduce cultural services activities by closing museums with the least attendance, and revenues compared to costs
- City Council direct the City Manager, in his review of the option of consolidating Museum Services (Culture) and Heritage Preservation Services (City Planning) as previously directed by the Executive Committee [Decision Advice Item 4], to examine the economic viability of Heritage Toronto as a not-for-profit organization with the new responsibility of operating City owned Museums, to allow greater opportunity for Federal and Provincial Capital grants and revenue generating opportunities.
- Executive Committee Decision Advice #4: requested the City Manager to review the option of consolidating Museum Services (Culture) and Heritage Preservation Services (City Planning) with an independent Heritage Toronto and report its feasibility to the Executive Committee.

**HERITAGE**

- City Council initiate the divestment of the following City agencies or bodies by taking the following actions and request the City Manager to report back to Executive Committee as required:
  - The City Manager be requested to review the City's heritage assets to find operational efficiencies and strengthening fundraising ability, by considering public/private models adopted by other levels of government and by reviewing the partnership model adopted by the City's successful Bicentennial program;
  - Given the legislative responsibilities of the City in relation to its heritage assets, the City Manager ensure the review process is transparent and includes consideration of best practices, including those currently practiced by the City; and
  - Given the scale and significance of Fort York, and given that the City is three months from the start of the Bicentennial of the War of 1812 and the Fort York Foundation is in the midst of a capital campaign to effect the greatest transformation of the site ever, that any review of the Fort be considered after the Bicentennial and its impact can be assessed.

Figure 1: Organization Chart, Museums and Heritage Services



March 2012

Figure 2: Organization Chart, Arts Services



ECONOMIC DEVELOPMENT and CULTURE

Arts Services  
Organizational Structure 2012

	Permanent/ Full-time	Permanent/ Part-time	Temp/Seasonal/ Casual Full-time	Temp/Seasonal/ Casual Part-time	Total
Executive/Senior Management					
Management with direct reports	5.0				5.0
Management without direct reports					
Exempt Professional/Clerical					
Clerical/Technical/Professional	11.0				11.0
Hourly/Operations					
Students/Recreation Workers					
Total	16.0				16.0

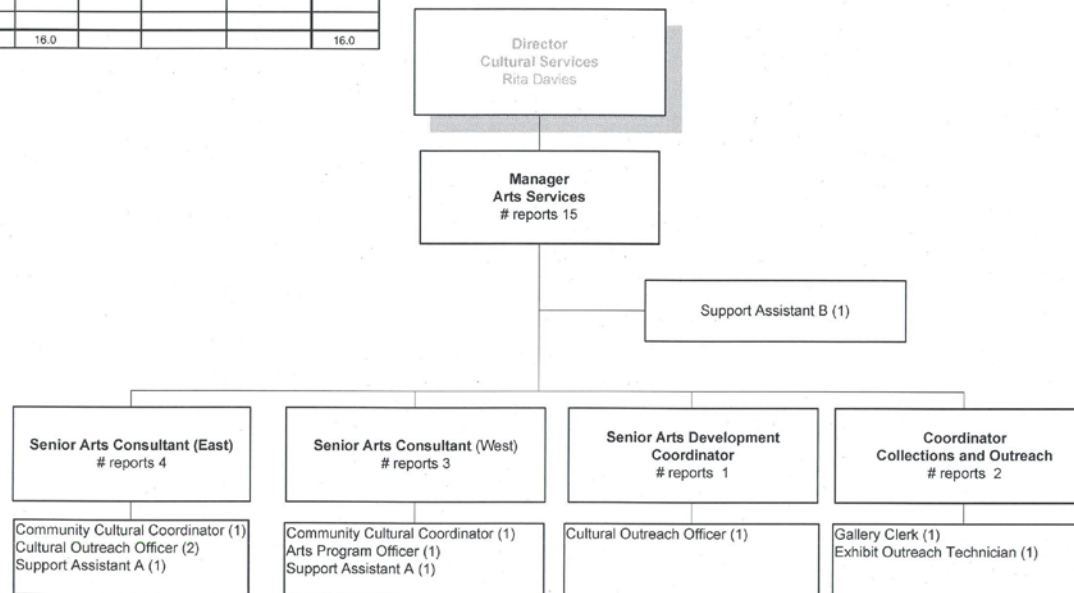


Figure 3: Organization Chart, Cultural Affairs



ECONOMIC DEVELOPMENT and CULTURE

Cultural Affairs  
Organizational Structure 2012

	Permanent/ Full-time	Permanent/ Part-time	Temp/Seasonal/ Casual Full-time	Temp/Seasonal/ Casual Part-time	Total
Executive/Senior Management					
Management with direct reports	5.0				5.0
Management without direct reports					
Exempt Professional/Clerical					
Clerical/Technical/Professional	12.0				12.0
Hourly/Operations	10.0				10.0
Students/Recreation Workers					
Total	27.0	0.0	0.0	0.0	27.0

