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City of Toronto
Service Efficiency Study Program:
Shelter, Support and Housing Administration Division
Statement of Work for External Management Consultants
Roster Assignment # # 9144-11-7001-Cat2MC10-11

September 9, 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 Shelter, Support and Housing Administration 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, demonstrated experience in the provision of consultation related to social services, 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 Shelter, Support and Housing Administration 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 2012 budget process where ever possible.

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 greatest improvement in service delivery and the most cost savings.
- Provide 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, client impacts, community 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 Services Efficiency Studies will be conducted on an accelerated timeline.
- b) The City wishes to engage the external Management Consultant for a 4 to 5 week study to be completed by October 31, 2011.
- c) Wherever possible the results of the Service Efficiency Studies will be reported out through the City's 2012 Budget Process.

5. Service Efficiency Study – Specific Areas of Review for Shelter, Support and Housing Administration Division

The Shelter, Support and Housing Administration Division is responsible for ensuring that homeless people and people at risk of homelessness have a range of shelter and affordable housing options, and provide temporary shelter and support for homeless individuals and families, while assisting them to achieve permanent housing solutions. The division has four service areas: Social Housing System Management; Homeless and Housing-First Solutions; Transitional, Supportive and Affordable Housing Development Funding; and City Emergency Human Services. The 2011 operating budget is \$916.8M gross and the net budget is \$291.9M. Seventy-five percent (75%) of the net budget is mandated funding for social housing through provincial legislation under the *Social Housing Reform Act*.

a) Social Housing System Management

Ensures the ongoing viability and sustainability of existing social housing both in terms of built form and as mixed income communities:

- Manages social housing provider subsidies in accordance with the Social Housing Reform Act – funds 84,000 units of co-op, non-profit and TCHC subsidized housing;
- Manages rent subsidies for 6471 units and housing allowances for 1100 units;
- Manages the centralized social housing waiting list that is currently at 76,549; and
- Manages 2726 affordable housing and other non-subsidized programs.

b) Homeless and Housing First Solutions

- Designated Service System Manager for Provincial and Federal Homelessness funds;
- Provides a range of homeless and housing supports through directly operated programs and community agencies; and
- Directly operates 9 shelters with 1252 beds and related supports, and contracts with community agencies to provide an additional 2545 beds and related supports.

c) Affordable Housing Development Funding

- Administers the payment of funding to housing proponents in accordance with the Federal, Provincial and City agreements.

d) City Emergency Human Services

- Coordinates the City's human services response in emergencies; and
- Develops emergency human services preparedness plans.

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 for Homeless and Housing First Solutions. Specifically the areas for review include:

- Hostel Services;
- Streets to Homes; and
- Consolidation of activities in the Affordable Housing Office and the Shelter, Support and Housing Administration Division.

5.2 Areas for Immediate Cost-Saving Opportunities

In terms of immediate impact for 2012, the following areas may yield some of the operational efficiencies and immediate cost-savings required by the City:

Part A – Mixed Shelter Services Delivery Model

Since 1958, the City of Toronto has been directly providing emergency shelter services. Funding for community agencies to provide shelter services has been in place since the early 1970s. Currently, the Shelter, Support and Housing Administration Division operates a mixed service delivery model that combines purchase of service from community agencies and services directly operated by City staff.

City staff also provide quality assurance and oversight to both parts of the mixed service delivery system.

Under the current model, the City directly operates 9 shelter sites and has purchase of service agreements for 48 additional shelter sites. This mix allows for flexibility in service delivery, the operation of specialized services to assist complex clients and the opportunity to pilot innovations through city run shelters.

The consultant will review the operational efficiency of Hostel Services' service delivery model in order to:

- Assess the current delivery model to evaluate the costs and benefits of a mixed shelter delivery model compared to a shelter delivery model provided by community agencies through purchase of service agreements.
- Examine the Division's function as service system manager for homeless services, including emergency shelter system provision.
- Make recommendations on the most cost-effective and efficient delivery model for hostel services, taking into consideration service quality and service impacts, and including specifics on the following attributes of a mixed service delivery model if recommended through this review including:
 - the appropriate proportion of services that should be delivered directly by the City and through Purchase of Service agreements with community agencies,
 - assessment of the staffing models in current programs and if they are the most efficient approach, and
 - Review opportunities to outsource some of the services at the directly operated shelters, for example, dietary services or property management services.

Part B – Streets to Homes

Since 2005, Streets to Homes has been helping people find permanent housing and to provide the supports they require to remain in their homes.

It delivers street outreach and housing assistance to street involved people in Toronto on a 24/7 basis in the downtown core and during the day and evening throughout the rest of the city. It is offered to all street-involved people, not just those sleeping outside. This includes those staying in shelters and spending their days on the streets, as well as those in housing who panhandle. Once housed, follow up supports are provided to ensure people are able to maintain their housing and end their homelessness. Streets to Homes staff are also first responders as part of the Emergency Human Services response provided to assist residents displaced during neighbourhood emergencies.

The consultant will conduct a cost-benefit analysis of the Streets to Homes program in order to:

- Evaluate the costs and benefits of the existing organizational delivery model including staffing levels;
- Determine potential cost savings that could be achieved through adjustments to the current delivery model without significant negative service impacts, i.e., through the increased use of purchase of service agreements with community agencies; and
- Identify strategic opportunities that make best use of the Streets to Homes initiative in an effort to reduce reliance on shelters and/or other emergency services.

Part C – Organizational Structure

The consultant will assess the existing organizational structure for delivering housing and homelessness planning and programs through the Affordable Housing Office and the Shelter, Support and Housing Administration Division in order to consider the possible consolidation of these functions.

Specifically to:

- Determine if the conditions that led to the establishment of the Affordable Housing Office continue to exist;
- Determine if efficiencies can be found through consolidation with SSHA; and
- Given the results of the above, provide advice on options for an organizational structure that makes the best use of potential efficiencies.

The consultant should report to the City Manager on findings respecting any such areas in terms of:

- Cost-savings;
- Direct Service implications;
- Divisional resource need implications; and/or
- Efficiencies in operations and staffing.

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.