



For help accessing information in this document,  
please [contact 311](#).

City of Toronto  
Service Efficiency Study Program:

**Transportation Services Division**

Statement of Work for External Management Consultants  
**Roster Assignment # 9144-11-7001-Cat2MC09-11**

September 6, 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 Transportation Services 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 Transportation Services 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; and
- (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 Services Efficiency Studies will be conducted on an accelerated timeline.
- b) The City wishes to engage the external Management Consultant for an (approximate) 5 to 6 week study ending no later than October 31, 2011.
- c) Wherever possible the results of the Service Efficiency Studies will be reported out through the City's 2012 Budget Process, beginning in October, 2011.

5. Service Efficiency Study – Specific Areas of Review for the Transportation Services Division

The Transportation Services Division oversees and manages approximately 5,500 km of roads, 7,100 km of sidewalks, 530 bridges, 600 pedestrian crossovers, 2,200 traffic control signals, 4,100 bus shelters, one million signs, as well as over 400 km of on-street and off-street bikeways. The 2011 operating budget is \$280.0M gross and the capital budget is \$250.0M.

The Division has four districts divided by region: Etobicoke York District, North York District, Scarborough District, and Toronto and East York District. The districts administer the following service units:

a) Road and Sidewalk Maintenance:

Provides road and sidewalk maintenance services to residents of the City of Toronto through the following activities:

- Winter maintenance;
- Repair;
- Cleaning;
- Patrol/Complaint Investigation;
- Utility Cut Repair;
- Infrastructure Management; and
- Pedestrian and Cycling Infrastructure.

b) Transportation Operations and Safety:

Provides operational services and addresses traffic safety through the following activities:

- Transportation Operations Investigations and Studies;
- Construction Traffic Management;

c) Traffic Management Centre:

Provides the following services:

- Traffic Control and Incident Management Systems;
- Transportation Electrical Plant Installation & Maintenance;
- Sign Fabrication & Installation and Pavement Markings; and
- Red Light Camera Operations and Transportation Safety & Data.

d) Public Right-of-Way Management:

Provides services in relation to the following functions:

- Parking Permits;
- Construction (Private Parties) Permits;
- Development Review; and
- Street Events.

In addition, the Transportation Services Division has the following service units: Public Realm, Transportation Infrastructure Management. These units oversee a number of business areas including the City's pedestrian and cycling strategies, graffiti management and the \$1B street furniture contract, and asset management.

## 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. The following service delivery operations and functions have been identified for detailed review and analysis:

- Claims investigation;
- Construction Permitting for Right-of-Way Operations;
- Road and Sidewalk Maintenance;

- Utility Cut Repair;
- Infrastructure Management; and
- Winter Maintenance.

## 5.2 Areas for Immediate Cost-Saving Opportunities:

In terms of immediate impact for 2011 and 2012, the City must realize operational efficiencies, immediate cost-savings, and additional revenue generation opportunities. The consultant will focus on the following areas, as described:

### *Part A - Claims Investigation*

Claims investigations and settlements amount to costs in the range of \$13M to \$15M per year. The scope of the analysis needed is on service efficiencies, specifically staff practices and divisional structure. The consultant should not analyze the bases for claims or the City's legal or risk management practices.

### *Part B - Construction Permitting for Right-of-Way Operations*

Reporting to the Public Right-of-Way Management Units of each of the four districts, construction permits in right of ways represent a major direct customer service and stakeholder interface, with approximately 60,000 construction permits processed for private parties each year. Analysis should focus on a business process review, with a particular emphasis on seeking efficiencies to streamline processes and, potentially, reduce costs. This analysis would include a review of proposed by-law provisions to be brought to Council in 2011-2012.

### *Part C - Road and Sidewalk Maintenance (focus on sidewalk repair and pothole repair)*

Administered within the Road and Sidewalk Unit of each of the Division's districts, these are legislated services. The Division repairs approximately 225,000 potholes, 28,000 square metres of walkway, and 18,000 square metres of sidewalks each year. In this review, the City seeks analysis of efficiencies relating to (a) service standards, (b) the deployment of crews, (c) management systems utilized by the Division, and (d) the potential for outsourcing some or all of these hard surface repair functions.

### *Part D - Utility Cut Repair*

The Utility Cut Repair process is housed in the Road and Sidewalk Maintenance service. The consultant will review the utility cut repair process and provide advice on efficiencies that can be made to improve the process, coordination and repair of utility cuts in the roadway.

### *Part E – Infrastructure Management*

The Infrastructure Management function is part of the Road and Sidewalk Maintenance service. Infrastructure Management monitors condition and lifecycle performance of infrastructure, assesses funding priorities, plans, develops and assess modifications, prepares Environmental Assessments and provides advice and input to other agencies/proponents regarding their transportation infrastructure planning projects. The consultant will review the Infrastructure Management group and provide advice on whether its role, structure and processes ensure efficient and effective coordination of transportation projects and related utilities.

The consultant will also review the overall function of the Major Infrastructure Coordination Office, which reports to the Deputy City Manager, Cluster B, to ensure efficient and effective coordination processes and structures are in place to achieve the best results in infrastructure management generally across City divisions and agencies, including with the Transportation Services Division.

### *Part F - Winter Maintenance*

Winter maintenance is a substantial divisional operation, and includes salting, sanding, ploughing and clearing (of roads, bike lanes, driveway openings, sidewalks and transit stop platforms), as well as snow removal and disposal. While the Division has performed analyses of potential service efficiencies, it now seeks: (a) a jurisdictional and comparative review of municipal winter maintenance services; and (b) a review of the Division's proposed service efficiency practices, to be included in its 2012 budget report.

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

- Potential cost-savings for salary, contract management and non-payroll costs;
- Direct Service implications;
- Divisional resource need implications;
- Managing revenue opportunities; and/or
- Efficiencies in operations and staffing\*.

\* Several areas of operations are contracted-out. For example, Winter Maintenance operations staff increase from 500 to 1600 (approx) seasonal workers on a contracted-out basis.

The consultant will identify whether the area(s) for savings require changes and implementation beyond 2012.



## 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  
11<sup>th</sup> Floor, East Tower, City Hall  
Telephone: 416-392-6783  
E-mail: [ltascher@toronto.ca](mailto: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](http://www.toronto.ca/budget2011)
- D. Organization charts for areas under review are attached as a [PDF document](#) attached to the e-mail inviting your firm to respond to this SOW.