TORONTO

REPORT FOR ACTION

Update on the Shared Services Project

Date: December 20, 2016
To: Executive Committee
From: Deputy City Manager & Chief Financial Officer
Wards: All

SUMMARY

This report provides an update on the Shared Services Project, a project that aims to reduce duplication between the City and the Agencies and Corporations.

The Shared Services Project was launched in 2014 based on direction from City Council to implement the recommendations from the KPMG Shared Service Study which were broken down into eight short-term recommendations that were to be implemented and eight long-term recommendations that were to be implemented after further due diligence and analysis. In addition, the Shared Services Executive Steering Committee expanded the scope of the project to include six additional recommendations.

In 2014, the Executive Steering Committee and 15 working groups were formed. Each working group was given responsibility for a specific functional area and any related recommendations. The working groups responsible for short-term and additional recommendations were tasked with validating the recommendation and implementing the recommendation where shown to add value. The working groups responsible for the long-term opportunities were tasked with implementing the recommendation after performing a detailed analysis to determine if the recommendation adds value and creating a business case for approval by the Executive Steering Committee.

By the end of 2016, the Executive Steering Committee expects work to be complete on 17 (77%) of the 22 Shared Services recommendations. The remaining five opportunities are expected to be complete before 2020. Of the 17, work will be complete on:
- 100% (8 of 8) of the short-term opportunities,
- 50% (4 of 8) of the long-term opportunities, and
- 83% (5 of 6) of the opportunities added by the Executive Steering Committee.

It is estimated that the activities of the Shared Services working groups has resulted in cumulative efficiencies of approximately $37 million. The majority of these efficiencies have been realized in Fleet and IT and have been built into the budgets of each organization.

In addition, there have been many non-quantifiable benefits achieved including a substantial culture shift towards increased collaboration across all organizations and viewing of City and the Agencies & Corporations as one organization.

In 2017, work will continue on the long-term opportunities and the Executive Steering Committee will examine how to best analyse and prioritize opportunities to expand the project scope of the project into areas not considered in the KPMG Shared Services Study.

RECOMMENDATIONS

The Deputy City Manager &Chief Financial Officer recommends that:

1. Executive Committee receive this report for information.

FINANCIAL IMPACT

There are no financial impacts arising from the recommendations contained in this report beyond what has already been approved in the current year's budget.

DECISION HISTORY

At its meeting on June 11, 12, and 13, 2013, in consideration of EX32.3 (*Results of the Shared Services Study - City Agencies*), Council directed staff to begin implementation of various short term shared services opportunities and to report back on a multi-year implementation plan for longer term shared services opportunities after consideration by the impacted Agency Boards.

EX32.3 (*Results of the Shared Services Study – City Agencies*) was considered by the Toronto Police Services Board on June 20, 2013 and by the Toronto Public Library Board on September 23, 2013. During its meeting, the Toronto Public Library Board endorsed the following principles for the Library's participation in shared services discussions:

- that Board governance and authority be recognized,
- that implementation of shared services programs be cost neutral to the Board and provide a return on investment,
- that Toronto Public Library have on-going participation of the planning and implementation of applicable shared services programs and there be on-going reporting back to the Board, and

- that Toronto Public Library maintain control over the collective bargaining function while continuing to work collaboratively with the City.

At its meeting on January 29, 2014, in consideration of EX37.1 (*2014 Capital and Operating Budgets*), City Council requested the Deputy City Manager & Chief Financial Officer to report back to City Council in July 2014 with options to accelerate the implementation of Shared Services opportunities in the KPMG Shared Services Efficiency Study to achieve potential cost savings ranging from $10 million to $15 million in 2014.

EX43.21 (*Update on the Shared Services Project*) was approved by Executive Committee on July 02, 2014 and was considered by the Toronto Police Services Board on June 19, 2014, Toronto Public Library Board and Toronto Parking Authority Board on June 23, 2014, Toronto Transit Commission Board on June 24, 2014, and the Exhibition Place Board of Governors on September 10, 2014. Despite accelerating the implementation of the shared services opportunities, the project team was not able to achieve potential cost savings ranging from $10 million to $15 million in 2014.

EX8.18 (*Update on the Shared Services Project*) was approved by City Council on September 30, 2015 and was considered by the Toronto Zoo Board of Management on September 10, 2015, the Toronto Public Library Board on September 21, 2015, the Toronto Transit Commission Board on September 28, 2015, the Toronto Parking Authority Board on October 22, 2015, the Toronto Board of Health on October 26, 2016, the Toronto Community Housing Board on December 03, 2015, the Exhibition Place Board of Governors on December 04, 2015, and the Toronto Police Services Board on December 17, 2015.

ISSUE BACKGROUND

In 2012, the City Manager identified eight corporate support services to review as a part of a Shared Service Study and retained KPMG to undertake the assignment. The corporate support services included were: information technology, internal audit, insurance & risk management, legal services, human resources/labour relations, procurement & materials management, real estate, and records management.

KPMG's study focused on the City's six largest Agencies with a view to expanding any resulting opportunities to additional City Agencies, where appropriate. The Agencies included were: Exhibition Place, the Toronto Parking Authority, the Toronto Police Service, Toronto Public Health, Toronto Public Library, and the Toronto Transit Commission. In 2015, the project scope was expanded to include Toronto Community Housing Corporation and Toronto Zoo.

City Council approved the implementation of sixteen opportunities and no further action on two opportunities. Eight opportunities were recommended to be implemented in the shorter term and reported out as required through the City's 2014/2015 budget process or to a standing committee or specific Agency Board. The remaining eight opportunities

were broad transformational directions to the City and its Agencies that require significant business process re-engineering, organizational change, and information technology investment to successfully implement. The City Manager referred these opportunities to the Deputy City Manager & Chief Financial Officer, in consultation with City Agencies, for further due diligence, planning, and the development of a five-year shared service implementation plan.

COMMENTS

1. Background

Background on Shared Services

Shared services is the redesign of corporate services with the goal to reduce duplication within and across business units and optimize processes. Shared services solutions are tailored to the functions and organizations involved and may or may not include a consolidation of services across organizations.

Since amalgamation, the City has used a shared services model to deliver corporate services to City divisions through the divisions in Cluster C and the City Manager's Office. The City Agencies, however, continue to manage and deliver some of their own corporate services, sharing services with the City in a way that is neither formalized nor standardized across organization. The Shared Services Project aims to improve this by expanding the shared services model to the City and the Agencies. The goal of the Shared Services Project is for the City and the Agencies to work collaboratively to identify and implement shared services opportunities that will achieve cost savings and service improvements.

Project Structure

In 2016, the number of Shared Services working groups increased from 15 to 17 with the addition of a Procurement Steering Committee and the IT Contract Management Working Group. As in previous years, the Executive Steering Committee provides oversight and direction for the overall Shared Services Project, while each working group has been given responsibility for specific recommendations. All teams have representation from all organizations and meet regularly. The working groups are listed below.

1. Change Management Working Group
2. Cooperative Purchasing Group
3. Facilities Management Working Group
4. Fleet Management Steering Committee
5. Health & Safety Working Group
6. Information Management Working Group
7. IT Steering Committee
8. IT Contracts Working Group
9. Internal Audit Working Group
10. Labour Relations Steering Committee
11. Learning Working Group
12. Payroll Working Group
13. Procurement Steering Committee
14. Quality Assurance Working Group
15. Real Estate Working Group
16. TPA/City Insurance Working Group
17. TTC/City Insurance Working Group

2. Status update

Project update

The Executive Steering Committee expects 17 (77%) of the 22 Shared Services recommendations to be complete by the end of 2016. The 5 (23%) remaining initiatives are longer-term initiatives that the Executive Steering Committee expect to be complete by 2020.

The number of initiatives increased from 21 to 22 in 2016 with the addition of the Real Estate Review. The Real Estate Review recommendations address the four original Shared Services initiatives listed below by consolidating all real estate, facilities management, and state of good repair activities into one organization.

1. Expand the City's provision of lessor services to TTC and TPA
2. Coordinate real estate contract and vendor management
3. Incorporate the agencies in the Facilities Transformation Project
4. Create a Real Estate Centre of Excellence

The structure and governance of this organization has still not been defined. For more information on the Real Estate Review, please see item EX16.4 (*City-Wide Real Estate Review*).

Many of the KPMG recommendations were specific in nature and did not cover all aspects of the functional areas examined. For this reason, although many of the KPMG recommendations are considered complete, work has not stopped on these areas. For most areas that are considered complete, the groups continue to meet regularly to:

- find additional ways to reduce duplication, find savings, and improve service and
- discuss and share best practices, discuss policy issues, and share information.

The Executive Steering Committee expects these groups to continue to meet regularly until all efficiencies have been found.

The table below outlines the status for each recommendation. When the status is not complete, a target completion year is given.

Recommendation	Status / Target Completion Year
Short-term Recommendations	
1 Share generic training and learning functions	Complete
2 Coordinate and standardize common Health and Safety functions	Complete
3 Enhance Agency use of the City's Internal Audit Division	Complete
4 Establish a Quality Assurance Centre of Excellence	Complete
5 Continue to rationalize the City stores and automate P2P processes	Included in 10

Recommendation	Status / Target Completion Year
Short-term Recommendations (continued)	
6 Provide the City's FOI online submission application to agencies	Complete
7 Expand the City's provision of lessor services to TTC and TPA	Included in 22
8 Insure the TTC and the TPA under the City's insurance	Complete
Long-term Recommendations	
9 Develop a labour relations and collective bargaining strategy	Complete
10 Share procurement of common goods and implement strategic sourcing	2020
11 Standardize HR information systems and share payroll administration	2020
12 Share common information technology infrastructure	2020
13 Rationalize information technology applications	2020
14 Coordinate real estate contract and vendor management	Included in 22
15 Establish a change management centre of excellence	Complete
16 Include the agencies in a plan to transition to managing digital records	Complete
Additional Recommendations	
17 Incorporate the agencies in the Facilities Transformation Project	Included in 22
18 Create a Fleet Management Centre of Excellence	Complete
19 Establish an IT Contract Management Centre of Excellence	Complete
20 Create an Internal Audit Centre of Excellence	Complete
21 Create a Real Estate Centre of Excellence	Complete
22 Implement the findings from the Real Estate Review	2020

A detailed update for each recommendation is provided in Appendix 1.

Benefits achieved

It is estimated that the activities of the Shared Services working groups has resulted in cumulative efficiencies of approximately $37 million. The majority of these efficiencies have been realized in Fleet and have been built into the budgets of each organization.

In addition, there are many non-quantifiable benefits that have been achieved, including the items below.

Increased collaboration: Formal and informal networks have been set-up across the organizations, which has led to a shift in attitude in all organizations – there is an increased awareness of initiatives in other organizations; an increased desire to work together across organizations and leverage work done; and working group members regularly rely on each other as a resource. This change in culture will lead to many

long-term benefits for all organizations, in both service improvements and cost efficiencies.

Appreciation for one organization: There has been a noticeable shift in attitude among the working group members to start thinking of the City and Agencies & Corporations as one organization rather than separate organizations. This shift has led to a greater desire for consistency, a drive to find overall as opposed to individual benefit, and an appreciation for each organization's business. Although not quantifiable, this change in culture will lead to many quantifiable benefits in the long run.

More information on benefits is provided in Appendix 3.

3. Next steps

Opportunities underway

The Shared Services opportunities listed below are long-term opportunities that need time to successfully implement. An update has been provided for each opportunity. More detailed information on these opportunities is provided in Appendix 1.

Information Technology
The Shared Services IT Steering Committee has approved a three-phase plan to examine and implement a shared services model for all areas of IT. Currently in Phase 2, Enterprise Partnership, the IT Steering Committee is examining short-term opportunities to save money and improve service while analysing service areas for opportunities to move to a shared services model. Phase 2 will be complete in 2018 and the implementation of a shared services model for the recommended areas will start in 2019.

Procurement
As part of the 2017 budget submission, the City will submit a business case on the implementation of a category management procurement model for the City divisions. Once this model has been implemented and tested at the City, the Procurement Steering Committee will create a plan to extend the model to the Agencies & Corporations. In the meantime, the Cooperative Purchasing Group has been working to maximize value from joint purchases among the City and the Agencies & Corporations.

Payroll
As recommended by KPMG, the City is modernizing their payroll systems. Once these projects are complete, the Payroll Working Group will assess opportunities to implement a shared services payroll model between the City and the Agencies & Corporations.

Real Estate Review
The City-Wide Real Estate Review was completed and the recommendations were approved by City Council on July 12, 2016 (see item EX16.4 (*City-Wide Real Estate Review*). Council approved the creation of a consolidated entity responsible for real

estate across the City and the Agencies & Corporations. An update report is planned for consideration by Council in the second quarter of 2017.

Additional opportunities

As mentioned previously, many of the KPMG recommendations were very specific in nature and did not cover all aspects of the functional areas examined. In addition, KPMG did not examine all areas for shared services opportunities. For this reason, in 2017, the Project Team will work with the Executive Steering Committee to decide how additional opportunities will be examined and analysed.

The Executive Steering Committee wants to ensure that added opportunities will be implemented successfully. Many of the organizations are already undergoing significant change and the Executive Steering Committee members want to ensure that additional Shared Services opportunities increase the success of, and are not at risk due to, existing initiatives.

The working groups for existing recommendations that are considered complete will continue to meet to identify and examine additional opportunities within their area.

Alignment with major initiatives

The Project Team is aware that there are many major initiatives underway at the City and the Agencies & Corporations and are ensuring that they maintain a dialogue with these teams to leverage their work and provide their assistance. Two of these major initiatives are the Toronto Police Service Transformational Taskforce and the Toronto Community Housing Transformation.

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ATTACHMENTS

Appendix 1: Detailed Status of Recommendations
Appendix 2: Summary of Cooperative Purchases
Appendix 3: Summary of Benefits

APPENDIX 1: Detailed Status of Recommendations

This appendix provides a detailed update on the status of each of the recommendations. Use the table of contents below to find each opportunity within the appendix.

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Status of Short-Term Opportunities

Share Generic Training and Learning Functions

Council Directive

City Council refers the following shared service opportunities to the City Manager to commence implementation in 2014 and to report further as required:

a. Share generic training and learning functions

Status

Complete - This recommendation is considered complete because they small agencies are no longer offering their own general training and learning functions, but are accessing the City's course calendar and resources. Training operations for TTC and TPS vary vastly from the rest of the organizations, so they will continue to offer their own courses, but are sharing information with the other organizations for course development.

What has been done?

The group has completed a pilot program allowing employees from Exhibition Place, Toronto Community Housing, Toronto Parking Authority, Toronto Public Library, and Toronto Zoo to access the City's catalogue of training courses for a minimal fee. This pilot was successful and will be operationalized for 2017.

In addition, the City and the Agencies & Corporations have been sharing training content and materials, procuring services jointly, and developing training and materials jointly.

Next Steps

Although this recommendation is considered complete, the Learning Working Group will continue to work on a strategy to align to one learning management system between all organizations, which will facilitate sharing of information and common reporting.

Estimated Savings

Approximately $0.28 million in estimated cost avoidance from fewer contracts with external training vendors.

Coordinate and Standardize Common Health and Safety Functions

Council Directive

City Council refers the following shared service opportunities to the City Manager to commence implementation in 2014 and to report further as required:

b. Coordinate and standardize common health and safety functions

Status

Complete - This recommendation is considered complete because it has been determined that a model of enhanced collaboration would provide the best value. A current state assessment, a review of models, and an analysis of work to implement each model, showed that the cost to implement a consolidated model was too high for minimal benefit. In addition, due to Health & Safety legislation, accountability must remain with each separate organization which limits the ability to fully consolidate the function.
Instead, a model of enhanced collaboration including aligning policy, standardizing collaboration processes, and creating common metrics would add immediate value at little cost. As part of this model, the group will continually identify consolidation opportunities.

What has been done?
The Health & Safety Working Group formed in 2014 continues to meet regularly and work on identified opportunities.

The current state assessment and analysis completed by the group resulted in the roadmap for moving forward. The group decided that a shared services model would not add value since each organization takes a different approach to their model for delivery of service which would require the organizations to redesign the way they integrate health & safety into their core business. The cost to do this is expected to out-weigh any savings generated. However, the group has decided that there is value in increasing collaboration between all the organizations. A business case will be presented to the Shared Services Executive Steering Committee in 2016.

Increased Collaboration:
The group has developed tools to formalize a collaboration model. This enables standardization and common approaches towards the service delivery of health & safety, where feasible. In addition, this approach also sets in place fundamental foundational elements necessary for a shared service model. These elements would support a transition to a shared services model, if it makes sense and includes a business case.

The group continues to work together on:
- Increased information sharing around advisory bulletins;
- Capitalizing on e-learning modules related to health and safety;
- Developing a common approach to comply with new training standards;
- Developing a common approach to responding to legislative changes;
- Identifying common procurement related to health and safety; and
- Identifying common equipment needs and services
- Increased consultation and sharing of tools and practices

Next Steps
Before the end of 2016, the working group aims to:
- Operationalize the community of practice
- Complete a Terms of Reference

- Complete a Collaboration Protocol
- Establish a common portal to facilitate collaboration
- Work towards common workforce language
- Work towards establishing common metrics
- Roll-out the Global Harmonization System
- Work together to procure H&S services

Estimated Savings
Savings have not been determined. Cost avoidance has been achieved by conducting joint procurement. The Cooperative Purchasing Group is working on methodology to calculate cost avoidance/savings and will apply this to any Health & Safety related cooperative procurement. Other benefits are related to time saved through leveraging another organization's existing documents, forms, training and expertise.

Enhance the Use of the City's Internal Audit Division by Agencies

Council Directive
City Council refers the following shared service opportunities to the City Manager to commence implementation in 2014 and to report further as required:

c. *Enhance the use of the City's Internal Audit Division for compliance, assurance and business risk consulting services by Agencies that do not have their own audit resources*

Status
Complete - This recommendation is considered complete because the Toronto Public Library, Exhibition Place, and Toronto Police Services Board have agreed to use the City's Internal Audit to perform various engagements.

Estimated Savings
Not yet determined.

Establish a Quality Assurance Centre of Excellence

Council Directive
City Council refers the following shared service opportunities to the City Manager to commence implementation in 2014 and to report further as required:

d. *Establish a Quality Assurance Centre of Excellence to leverage tools, templates and specialized skills, coordinate work plans and share best practices*

Status
Complete - This recommendation is considered complete because the Quality Assurance Centre of Excellence was formed and met for its first regular meeting in May 2015. In 2016, the Quality Assurance Centre of Excellence was consolidated into Excellence Toronto.

Estimated Savings
None

Continue to rationalize the City Stores

Council Directive

City Council refers the following shared service opportunities to the City Manager to commence implementation in 2014 and to report further as required:

e. Continue to rationalize the City stores and increase direct delivery of consumable goods and automate P2P (purchase to pay) processes

Status

Included in recommendation 10 - 'Share procurement of common goods and implement strategic sourcing'.

The City is in process of implementing an IT solution, warehouse management module, to automate product ordering and vendor payment. Ernst & Young is engaged to conduct a network assessment on both Corporate Stores and Divisional Stores to provide further direction with respect to rationalization and consolidation.

Update

This recommendation from KPMG's Shared Services Study related only to the City of Toronto and was consistent with recommendations from the Auditor General related to continuing to rationalize City Stores, increase direct delivery of products where appropriate and increase the use of technology. Rationalization of City Stores is a continual process of determining whether existing Stores should be closed, consolidated or expanded and whether new Stores should be opened.

The rationalization of City Stores began in 2006 with six Divisions in scope and a total of 7 Corporate Stores and 18 Divisional warehouses, for a grand total of 25 stores/warehouses. At the beginning of 2014, there were 4 Corporate Stores (60 Brant St, 320 Bering Avenue, 1050 Ellesmere Avenue and City Hall) and 3 Corporate Warehouses (Finch, Rivalda and Dohme). In 2014, two Corporate Stores (Brant and Bering) were consolidated and relocated to 799 Islington Avenue. The renovation at 799 Islington (approximately a 32,000 sq foot warehouse) was completed in August 2015 allowing PMMD to consolidate two Corporate warehouses (Rivalda and Dohme) into Islington leaving three Corporate Stores and one Corporate Warehouse.

City Divisions also have Divisional Warehouses, where the inventory is overseen/managed by PMMD but manned by staff from the respective City Division. At the beginning of 2016 the following Divisions had PMMD managed warehouses:

- Parks, Forestry and Recreation – 1 warehouse;
- Toronto Water – 3 warehouses;
- EMS – 1 warehouse;
- Toronto Fire – 1 warehouse.

	2006	2014	2015	2016
Divisional Warehouses	18	8	5	6
Corporate Warehouses	7	3	1	1
Corporate Stores	0	3	3	3
Total	25	14	9	10

Finally, PMMD has been working on an overall supply chain management technology solution. PMMD's Supply Chain Management Transformation Project will bring efficiencies to City stores through the development of an online catalogue and automation of paper forms.

Roadmap

As part of PMMD's Program Review, PMMD engaged Ernst & Young to conduct a network assessment on both Corporate Stores and Divisional Stores to provide further direction with respect to rationalization and consolidation. The final report from Ernst & Young in October is due in Q4 2016. PMMD will work with Divisions to determine the appropriate way to implement the recommendations of Ernst & Young, including incorporating any recommendation into the 2017 budget process as appropriate.

City provides FOI submission application to Agencies

Council Directive

City Council requests the City Clerk to provide as a best practice, the City's online submission application for Freedom of Information requests to interested Agencies when it becomes available.

Status

Complete - This recommendation is considered complete because the Agencies & Corporations are aware of the City's application to receive online FOI requests for City information.

What has been done?

The City purchased and implemented a module for the City's CLASS system, used extensively by Parks, Forestry, and Recreation for online registrations. This module was adapted for the FOI submission tool. A demonstration to the Agencies was provided in March 2015. The CLASS system is not used by Agencies and so the City's solution cannot be easily adopted. Also, *Municipal Freedom of Information and Protection of Privacy Act* requirements do not allow requests for Agency records to be routed through the City.

Next Steps

Although this recommendation is considered complete, the Information Management working group continues to meet to examine other opportunities to reduce duplication.

Estimated Savings
None at this time.

Expand the City's provision of lessor services to the TTC and the TPA

Council Directive
City Council requests the Chief Corporate Officer to work with the Chief Executive Officers of the Toronto Transit Commission and Toronto Parking Authority regarding the possibility of the City providing lessor services to their Agencies.

Update
This opportunity has been included in the Real Estate Review – see the Real Estate Review section for an update.

Insure the TTC and the TPA under the City's insurance

Council Directive
City Council requests the City Manager and Deputy City Manager & Chief Financial Officer, to work with the Chief Executive Officers of the Toronto Transit Commission and Toronto Parking Authority, to insure the Toronto Transit Commission and the Toronto Parking Authority under the City's insurance for non-specialized policies and exclusive of claims, where the City is able to provide similar coverage for a lower cost and report further as required.

Toronto Parking Authority

Status
Complete - This recommendation is considered complete because the City and the TPA have agreed, in principle, to merge insurance programs if the City's insurance program can meet the TPA's services requirements and deliver a cost savings.

What has been done?
TPA and the City have been meeting since 2014 to discuss merging their insurance programs, but personnel changes at both the City and TPA had slowed the analysis of this opportunity. The TPA and the City are currently working on a service level agreement and, if the TPA's service requirements can be met at a cost savings, the programs will be merged when the TPA's insurance policy expires in 2017.

Next Steps
TPA still has some service concerns that the City needs to address. Before TPA's policy expires in 2017, a comprehensive partnership agreement will be negotiated that will address the TPA's concerns. In the unlikely event that a partnership agreement cannot be negotiated that addresses TPA's concerns, the projected cost savings are not

sufficient to outweigh the potential impacts to TPA's business and the programs will not be merged.

Estimated Savings
It is estimated that the TPA will save some money, but the amount will be determined based on the service levels negotiated and the impact on the City's risk profile.

Toronto Transit Commission

Status
Complete - This recommendation is considered complete because the City and the TTC have examined combining insurance programs and this was not possible because insurance companies that cover the risk associated with the City will not cover risks associated with rail. Since the majority of the TTC's coverage is related to rail, there would not be any savings or benefits from combining insurance programs.

What has been done?
TTC and the City's Insurance & Risk Management Division met multiple times to discuss this opportunity in 2014 and 2015. Since it was determined that there would be no benefit to combine insurance programs, the group decided to examine the potential for the City to insure its fleet through the TTC Insurance Company Ltd. (TTCICL.) For this option to be successful, a change to TTCICL must be approved by the Province.

In 2016, the TTC applied to the Provincial regulators for regulatory changes to allow the TTCICL to insure the City's fleet. This change is expected to save the City approximately $300,000 annually in fronting insurance paid to external insurance companies for vehicle pink slips.

Next Steps
Although the application to the Province has been made, the TTC and City have very little control over the process and must wait for the Financial Securities Commission of Ontario and the Ontario Ministry of Finance to make a decision on the application. A response to the application is expected in early 2017.

Estimated Savings
If approved, the City will save approximately $300,000 annually in insurance costs.

Status of Long-Term Opportunities

City-wide labour relations strategy

Council Directive

City Council authorizes the City Manager and the Executive Director, Human Resources to lead the development of a labour relations and collective bargaining strategy for the City and its Agencies going forward, in consultation with City Agencies, and report the strategy to the City's Employee and Labour Relations Committee for approval in principle.

Status

Complete - This recommendation is considered complete because the City and the Agencies & Corporations analysed KPMG's recommendation and determined that the value in developing a City-Wide Labour Relations Strategy would not be as great as suggested by KPMG.

The governance structure of the Boards, combined with the staggered collective agreement expiry dates, makes it impossible to have a one-size-fits-all labour relations and collective bargaining strategy. Any combined strategy would take a great deal of time and effort to develop, would have to be prepared at very high level in order to meet all organizations' needs, and would add very little value to the Boards and Council. However, the collaborative sharing of information, combined with the direct service agreements, create a successful framework for greater collaboration amongst the City and the Agencies & Corporations.

What has been done?

In 2014, the Shared Services Labour Relations Steering Committee was formed to identify ways to enhance labour relations and collective bargaining communication, while being mindful of the different governance structures and collective agreement expiry dates for all organizations involved.

The City has direct service agreements with, and performs bargaining on behalf of, the Exhibition Place Board of Governors, Toronto Police Services Board, and Toronto Zoo Board of Management. The table below sets out the expiry dates of the collective agreements and identifies which organization performs bargaining for each agreement.

Organizations / Union	Bargaining Year				Bargaining Performed by:
	2016	2017	2018	2019	
City of Toronto					
TPFFA Local 3888				●	City
CUPE Local 79 (4 agreements)				●	City

Organizations / Union	Bargaining Year				Bargaining Performed by:
	2016	2017	2018	2019	
TCEU (CUPE) Local 416				●	City
CUPE Local 2998				●	City
Toronto Public Library					
CUPE Local 4948				●	TPL
Toronto Community Housing Corporation					
CUPE Local 79				●	TCHC
Exhibition Place					
CUPE Local 2840	●				City
IBEW Local 353			●		City
CUPE Local 5116	●				City
IATSE Local 58		●			City
Painters & Allied Trades Local 46	●				City
Carpenters Local 27			●		City
Plumbers Local 46				●	City
LIUNA Labourers Local 506			●		City
Toronto Parking Authority					
TCEU Local 416		●			TPA
Toronto Zoo					
CUPE Local 1600		●			City
Toronto Transit Commission					
ATU Local 113			●		TTC
CUPE Local 2			●		TTC
IAMAW Lodge 235			●		TTC
CUPE Local 5089			●		TTC
Toronto Police Services Board					
Toronto Police Association (6 agreements)			●		City
Senior Officers' Organization (2 agreements)			●		External Counsel

Next Steps

The Shared Services Labour Relations Steering Committee will continue to meet regularly to share information and discuss collective bargaining strategies, best practices, and bargaining outcomes. This increased collaboration will lead to greater alignment between the organizations during collective agreement negotiations.

In addition, the Labour Relations Steering Committee and Executive Steering Committee will examine opportunities to enter into additional direct service agreements with Agency & Corporation Boards.

Estimated Savings

The Labour Relations and Executive Steering Committees agree that there are potential cost savings, particularly the avoidance of higher and rising future costs. However, given the complexity of the collective bargaining process in the public sector (specifically for those agreements that are subject to binding arbitration), cost savings will be hard to quantify and attribute solely to Shared Services.

Standardize HR information systems and share payroll administration

Council Directive

City Council refers the following shared service opportunities to the City Manager for further due diligence and consultation with City Agencies and report back to Executive Committee with a multi-year shared service implementation plan and after consideration by Boards of affected City Agencies:

a. *Standardize human resource information systems and share payroll and benefits administration*

Update

The City's Pension, Payroll, and Employee Benefits Division (PPEB) completed a Program Review of operations, including a complete review of its end-to-end business process, in 2013. Based on the results of this review, PPEB embarked on three major IT infrastructure projects - the Employee and Management Self Service Portal (ESS/MSS); an Enterprise Time, Attendance and Scheduling Management program (eTime – Scheduling) and a major update to SAP as it relates to payroll (eTime – Time Entry/Recording). The ESS/MSS project commenced in March 2014 and launched to all City employees in 2016. The eTime - Time Entry/Recording (formerly CATS) project commenced in June 2015 and went live for all divisions across the City on Sept 14, 2016. The eTime – Scheduling (previously TASS) project commenced in June 2015 for 2 pilot divisions (Toronto Paramedic Services and Parks, Recreation & Forestry) and will go-live in for the rest of the City in November 2016.

It was recommended by both the consultant who conducted the Program Review and KMPG that before the City examines shared services opportunities in depth it must upgrade its IT infrastructure and modernize its end-to-end processes. As a result, the focus will continue over the next year to implement the 3 capital projects and review its business process and organizational structure to prepare the foundation for shared services.

In addition, the TTC started an implementation of SAP in 2016. Since this will significantly impact the way the TTC manages and processes payroll, it is recommended that any initiative be deferred until this implementation is complete and working well.

The City and Agencies, however, felt that mutual benefit could be gained by creating a community of practice to share best practices and examine any potential shared services opportunities. This group has been meeting regularly and has started with creating a common payroll reporting framework.

Roadmap
Shared Services will be considered once the City has completed their process of modernizing their payroll systems and the TTC has completed its installation of SAP.

The community of practice will continue to meet to share best practices, review all collective agreements and business requirements, and determine potential shared services opportunities, given the differences in each Agency's business.

Establish a Change Management Centre of Excellence

Council Directive
City Council refers the following shared service opportunities to the City Manager for further due diligence and consultation with City Agencies and report back to Executive Committee with a multi-year shared service implementation plan and after consideration by Boards of affected City Agencies:

f. Establish a change management centre of excellence to support the implementation of shared services and other major City change initiatives.

Status
Complete – this recommendation is considered complete because the Centre of Excellence model, governance, staffing, and funding has been approved and implementation has started.

What has been done?
The City added one full-time permanent change management consultant position to the complement of the Shared Services Project Team and this position has led the Change Management Working Groups.

These groups have completed work on Centre of Excellence structure, governance, and staffing. In addition, the groups have started work on the creation of change management tools and assessments, an online portal, a change curriculum, and a vendor roster.

Roadmap
This recommendation is considered complete. The business case for the Change Management Centre of Excellence has been approved by the Executive Steering Committee. In 2017, work on the training tools, curriculum, and vendor roster will continue.

Estimated Savings

Not yet quantified.

Share procurement of common goods & implement strategic sourcing

Council Directive

City Council refers the following shared service opportunities to the City Manager for further due diligence and consultation with City agencies and report back to Executive Committee with a multi-year shared service implementation plan and after consideration by boards of affected City agencies:

a. *Share procurement of common goods and services and implement strategic sourcing*

Update & Roadmap

Development of Strategic Sourcing in Procurement

Category Management is the process of managing key spend categories (goods and services grouped into categories) strategically across the organization with the goal of lowering total cost of ownership. Category Management is:

- Strategic, requiring data from multiple sources and key performance indicators to track against with more information on the market itself;
- Collaborative, requiring cross functional teams to work together on the strategy under a defined governance process; and
- Process driven, requiring the process to be reviewed iteratively as learning of the category grows.

Category Management is different and broader than Strategic Sourcing. Category Management includes category strategies, category governance, usage and spend management, category spend performance management and supplier performance management. Strategic Sourcing is an element that results from category strategy. It is an event or a series of events to secure a vendor or vendors to provide the goods or services who will then be supervised under Category Management.

Implementing category management in procurement was the main recommendation from the KPMG Shared Services Study. The recommendation was for the City of Toronto to implement category management by re-organizing its Purchasing and Materials Management Section first. Once that was done, the next step would be to bring the Agencies into the strategic category management model.

In order to do this, the City's Purchasing and Materials Management Division (PMMD) has embarked on a program review that will review its service delivery and organizational structure and set out an implementation plan that will move to a category management model. PMMD retained Ernst & Young who have provided a final report setting out a road map and business case for implementing category management. PMMD will report to Government Management Committee in Q4, 2016 on the overall strategy for PMMD based on the Ernst & Young recommendations and the Treasurer

will submit a business case on the implementation of category management as part of the Office of the Treasurer's 2017 budget submission for Council's consideration.

Cooperative Purchasing Group

As noted above, the main recommendation from KPMG's Shared Services Study was for the City to implement category management. In the interim, while work is being done to assess how the City would implement category management, the City of Toronto and the Agencies and Corporations are working collaboratively to identify common procurement opportunities through the monthly Cooperative Purchasing Group (CPG meetings). Appendix 2 provides a list of the purchases done jointly with one or more Agencies and/or where an Agency has piggy-backed off the City's contract.

The next steps the CPG is working on include continuing to identify joint procurement opportunities, implementing and tracking the cost saving and other metrics established by the CPG, reviewing the processes and legal terms to determine standardization amongst the Agencies where possible, and comparing procurement opportunities against the Provincial Vendor of Record (VOR) system.

Share common information technology infrastructure

This section is a summary of all IT-related opportunities: IT Infrastructure, IT Applications, and IT Contracts.

Introduction

In 2014, PwC was engaged to perform an assessment of the City and Agency & Corporation IT infrastructure to identify shared services opportunities, develop a roadmap to implement the opportunities, and estimate expected benefits for each opportunity.

PwC completed their engagement in 2015 and their report recommended the three-phase approach shown below. In 2016, the IT Steering Committee expanded this approach to all three IT areas (infrastructure, applications, and contracts) and customized the roadmap to accelerate savings, allow for greater risk mitigation, and build-in periodic progress and maturity assessments.

1. Phase 1 – Setting the Foundation: In this phase, a project team is recruited, a governance structure is created and approved, and other foundational items are completed to facilitate the organizations to work together effectively.
2. Phase 2 – Enterprise Partnership: In this phase, the organizations work together to align policy, standardize processes, consolidate procurement, and build business cases for which services should move to a consolidated shared services model.
3. Phase 3 – Managed Services: In this phase, all opportunities that were identified to move to a consolidated shared services model would transition.

The IT Steering Committee has learned from other public-sector shared services implementations and has adopted a scalable approach that formally engages all key

stakeholders in order to reduce the risk of overlooking service level requirements. Due to this, the IT Steering Committee decided to meet more regularly and discuss any issues of importance to the organizations. This has increased dialogue between the organizations, led to greater alignment, and has increased awareness of common barriers, such as fundamental policy changes, that need to be overcome to realize the benefits of shared services.

In addition to exploring opportunities to increase collaboration, this increased dialogue has enabled organizations to explore skipping Enterprise Partnership and moving directly to Managed Services, if best for their situation.

IT Shared Services Funding

Since 2014, the IT Shared Services activities have been funded through the City's capital budgets for the Data Centre and Application Rationalization projects. However, the City's 2017 budget submission will include an IT Shared Services-specific capital budget request.

When the Shared Services Project started in 2014, there was no budget to fund IT Shared Services activities. Since the City's CIO and the Shared Services Project Team felt that work on the IT opportunities would lose momentum if they had to wait for a new budget cycle, the City's CIO decided to fund the IT Shared Services activities from existing projects that were related to Shared Services. If the City's CIO had not made this funding available they would have missed many shared services opportunities and benefits.

The ability to assess and implement managed services will be challenging without dedicated resources for each organization. Lack of sufficient dedicated resources has been flagged as a project risk by KPMG, PwC, the Shared Services Project Team, and the IT Steering Committee. To address this, the IT Steering Committee has directed the IT Shared Services Team to quantify resource needs when identifying opportunities for immediate action and completing business cases for Managed Services.

Update & Roadmap

The table below provides an update on all activities. More detail for each of the three areas is below the table.

Phase 1: Setting the Foundation	
Status:	Complete
Estimated Cost:	$300,000
Actual Cost:	$252,245
Activities:	- Establish core program management team - Create governance and terms of reference adopted
Decision: Are we ready for Enterprise Partnership?	
Comments:	Yes - the IT and Executive Steering Committees have endorsed the recommended approach.
Phase 2: Enterprise Partnership	
Status:	Started, planned to be complete by end of 2018
Estimated Cost:	$2.6-5.5 million (PwC estimates)
Estimated Benefit:	$2.0-4.0 million/year (PwC estimates)
Activities:	- Identify short-term opportunities that will realize benefits - Develop a process to move organizations directly to Phase 3, as appropriate - Standardize processes - Rationalize infrastructure, applications, and contracts - Analyze and quantify benefits and costs for each opportunity - Create business cases for, and reassess key organizations' readiness to, move to Phase 3
Comments:	Enterprise Partnership is estimated to deliver approximately 50% of the benefits of a full consolidation with significantly lower risk. The IT Steering Committee recommended undertaking sufficient analysis to ensure that costs and benefits are validated.
Decision: Do we move to Managed Services?	
Comments:	The IT and Executive Steering Committees will decide if a business case justifies moving some or all organizations to Managed Services.
Phase 3: Managed Services	
Status:	Starting in 2019
Estimated Cost:	To be determined during Enterprise Partnership
Estimated Benefit:	To be determined during Enterprise Partnership
Activities:	Consolidation of non-core IT functions
Comments:	Based on the results of Enterprise Partnership, the decision will be made whether to move to a consolidation.

In addition, the IT Steering Committee held a workshop to identify opportunities that are expected to lead to great benefits for all organizations and would be easy to implement. These items are listed in the table below and will be further analysed in 2017.

Opportunity	Participating Organization							
	TPS	TPL	TCH	TPA	EP	Zoo	CoT	TTC
Office 365 Subscription Service	N/A	●	●	●	●	●	●	●
Cloud Computing	N/A	●	●	●	●	●	●	●
Standardized Mobile Device Management System	●	●	●	●	N/A	N/A	●	●
Telephony – Voice over IP (VoIP)	●	●	●	●	●	●	●	●
Common Components/Application Programming Interface (API)	N/A	●	●	●	●	●	●	●
Shared Customer Relationship Management (CRM) System	N/A	●	N/A	●	N/A	●	●	●
Common Data Governance Framework	●	●	●	●	●	●	●	●
Global IT Policies/Standards/Procedures	●	●	●	●	●	●	●	●

N/A – Not applicable

Common Infrastructure

Update

In 2016, the IT Steering Committee identified the best services as candidates for shared services. For the majority of organizations, IT infrastructure plans were focused on maintaining a state of good repair, but for TPL and TPS, there was an added focus on introducing new technologies that would help their organizations innovate or respond to changes in their industries.

Roadmap

Based on results of the IT shared services opportunity identification workshop, the IT Steering Committee will focus on the opportunities identified above and assessing any high-impact, easily implementable opportunities. These opportunities align to the nine infrastructure areas listed below:

1. Data Centre Services
2. Desktop Services
3. Enterprise Backup
4. Internet Services
5. IT Services Desk
6. Messaging and Telephony
7. Network Services
8. Platform Infrastructure
9. Storage Services

The costs, benefits, and organizational readiness for implementation of identified opportunities are currently being assessed and implementations will start in 2017. Opportunities that are assessed to have high probability of realizing large service improvements or cost savings will be prioritized.

In 2017, the IT Steering Committee will adopt the PwC recommendation to reassess organizational readiness for, and impact of, the nine IT infrastructure areas so that business cases can be made to move to Phase 3, Managed Services for qualifying infrastructure services.

Application Rationalization

Update

The first step towards rationalizing applications is to create an inventory of applications across all organizations. Although many organizations have developed application inventories, not all organizations are ready to launch cross-organizational Application Rationalization initiatives. For example, as part of larger transformation initiatives, both TCHC and TPS underwent third party assessments of their IT functions and Strategic Plans. It would not be prudent to start an application rationalization initiative until the larger transformation decisions are made.

TTC completed an application rationalization as part of their move to SAP. In addition, the City and TTC have established the foundation for a common, shared SAP environment.

The City completed an application inventory and has started eliminating duplicate or out-dated applications. As part of this process, the City leveraged research from a third party research firm to develop a framework for Application Rationalization. This framework is being shared with the IT shared services stakeholders and will be used when the larger project is launched.

Roadmap

Before the end of 2016, application rationalization workshops will be held to assess whether a common application rationalization framework can be adopted. Since a shared IT Infrastructure facilitates the rationalization of applications, this will be considered in the workshops.

Pending the adoption of a common IT Application Rationalization approach the City and Agencies are focused on exploring application rationalization opportunities as software approaches its end-of-life and needs to be upgraded or replaced.

Similarly for ERP systems opportunities to move to a common SAP platform will be considered as Agencies' ERP systems reach their end-of-life. In cases where the size and needs of an Agency do not warrant implementing SAP, opportunities for alternate, common platforms will be explored.

IT Contract Management

Update

The IT Contracts Working Group was formed in 2016 and includes IT procurement stakeholders from the City, EP, TCHC, TPA, TPS, TTC and the Zoo. This group adopted the same Governance and Terms of Reference that was approved by the IT Steering Committee and has endeavoured to identify collaborative procurement opportunities and analyze the benefits of a Contract Management Centre of Excellence.

In 2016, the IT Contracts Working Group completed the activities listed below:
- Reviewed current IT contracts
- Reviewed existing IT Contracts to find immediate areas of collaboration
- Created a master list of IT Contracts for all organizations

In addition, the group initiated the activities listed below.
- Assessment of opportunities for joint procurements, including developing a selection, categorization, and prioritization methodology
- Analysis of the benefits association with an IT Contract Management Centre of Excellence

Roadmap:
In 2017, the IT Contracts Working Group will focus on the activities listed below.
- Consolidate new or existing common IT procurements
- Maintain the IT contracts master list
- Complete a current state assessment, including organizations' IT procurement maturity
- Assess the benefits of, and framework for, establishing an IT Contract Management Centre of Excellence

Rationalize information technology applications

Council Directive
City Council refers the following shared service opportunities to the City Manager for further due diligence and consultation with City Agencies and report back to Executive Committee with a multi-year shared service implementation plan and after consideration by Boards of affected City Agencies:

a. Rationalize information technology applications

Update
See the Common IT Infrastructure Section for an update.

Coordinate real estate contract and vendor management

Council Directive
City Council refers the following shared service opportunities to the City Manager for further due diligence and consultation with City Agencies and report back to Executive Committee with a multi-year shared service implementation plan and after consideration by Boards of affected City Agencies:

e. Coordinate real estate contract and vendor management through an information technology platform

Update

This opportunity has been included in the Real Estate Review – see the Real Estate Review section for an update.

Include the Agencies in a plan to transition to managing digital records

Council Directive
City Council requests the City Clerk, in consultation with the City Manager and the Chief Information Officer, to include in the Information Management Strategy for the City, a plan to transition to managing digital records and phased-in implementation to include City Agencies.

Status
Complete - This recommendation is considered complete because the Agencies & Corporations

- are included in the plan for the development of the Information Strategy;
- have already initiated digital information management initiatives.

What has been done?
The Working Group determined that any plan to transition to managing digital records and to phase in implementation was substantially dependent on aligning and coordinating purchasing and infrastructure management strategies between the City and its agencies and corporations. Only after these are clarified will the partners be able to develop a meaningful plan.

Roadmap
Although this recommendation is considered complete, the Information Management Working Group members exchange information about plans and initiatives already in flight in their various organizations to benefit from experience and opportunities wherever possible. In addition, the City plans to deploy a pilot Enterprise Document / Records Management Solution (EDRMS) in 2017. The EDRMS will enable the City to continue assisting Agencies with managing their physical records and develop expertise and experience that will benefit Agencies in managing digital records.

Estimated Savings
None at this time. Once the transition to digital records implementation plan is determined then savings may be identified. However, avoiding duplication of effort and leveraging of the City's expertise and resources is an immediate benefit to the Agencies and Corporations.

Status of Additional Opportunities

Incorporate the Agencies in the Facilities Transformation Project

Council Directive
None - this opportunity was added by the Shared Services Executive Steering Committee.

Update
This opportunity has been included in the Real Estate Review – see the Real Estate Review section for an update.

Establish a Fleet Management Centre of Excellence

Council Directive
None - this opportunity was added by the Shared Services Executive Steering Committee.

Status
Complete – this recommendation is considered complete because the Fleet Management Steering Committee (FMSC) was expanded in 2014 to include all the Agencies & Corporations who operate their own fleet services. The FMSC replaced the Executive Fleet Management Co-ordinating Committee, which was established in 2007 based on Council Directive. The FMSC is led by the City's Fleet Services Division and provides a service perspective of leading practices to approve, evaluate and oversee fleet management, service improvements and operational compliance.

What has been done?
All fleet shared services activities are coordinated through the FMSC. The FMSC meets quarterly to discuss issues of concern, best practices, and opportunities to save money and improve service. Some of these opportunities are listed below.

- Green Fleet Plan: In 2014, the City, TTC, and TPS developed the City of Toronto Consolidated Green Fleet Plan (2014-2018).
- Bulk Fuel Purchases: In 2015, FMSC activities were responsible for the coordination of bulk fuel purchases. In addition, TTC and City collaboration resulted in the TTC transitioning to a different type of fuel. Both of these activities resulting in significant savings.
- Expanded use of City Fuel Sites: In 2015, the City expanded access to its fuel sites to the TPA and before the end of 2016, the TTC will have moved all of its non-revenue fleet (500 vehicles and 400 pieces of equipment) to using the City's fuel sites. Prior to this, both the TPA and the TTC non-revenue fleet used commercial filling stations. In addition, the TTC is installing Vehicle Identification Boxes (VIBs) on their non-revenue fleet allowing them to access the wireless fuel integration technology. For TPA and TTC, these moves have lowered the cost of fuel,

increased security and controls over the fuelling process, and freed resources to focus on their core business.

- Ontario Provincial Driver Certification Program (DCP): The DCP enables City staff to train, issue and renewal classified provincial licenses and endorsements for its employees. The ability to share training materials and resources will result in maintaining a service standard that will be consistent across the organization as well as ensuring compliance with federal, provincial and city policies and guidelines.
- Synergies in Procurement: Fleet Services maintains the library of vehicle and equipment specifications. The ability to share common procurement activities creates values in areas such as quality, cost and compliance with objectives such the procurement of green vehicles.

Roadmap

Although this recommendation is complete, the FMSC continues to meet regularly to find opportunities to collaborate and focus on the implementation of leading practices for city wide fleet services to improve efficiency, effectiveness and consistency of services.

Benefits

- Approximately $18.3 million in cost avoidance from joint fuel hedging
- Approximately $13.0 million cost avoidance from joint bulk fuel purchases
- Efficiencies from increased information-sharing and collaboration

Establish an IT Contract Management Centre of Excellence

Council Directive

None - this opportunity was added by the Shared Services Executive Steering Committee.

Update

See the Common IT Infrastructure Section for an update.

Establish an Internal Audit Centre of Excellence

Council Directive

None - this opportunity was added by the Shared Services Executive Steering Committee.

Status

Complete – this opportunity is considered complete because this group is meeting quarterly to share best practices and examine opportunities to increase collaboration since 2014.

Establish a Real Estate Centre of Excellence

Council Directive
None - this opportunity was added by the Shared Services Executive Steering Committee.

Update
This opportunity has been included in the Real Estate Review – see the Real Estate Review section for an update.

Implement the Findings of the City-Wide Real Estate Review

Council Directive
None - this opportunity was added by the Shared Services Executive Steering Committee.

Update
Council approved the City-Wide Real Estate Framework report in April 2015. The City's Chief Corporate Officer engaged an external consultant to perform a city-wide real estate review in 2015 and the results of the review were presented to Council on July 12, 2016 in consideration of item EX16.4 (*City-Wide Real Estate Review*).

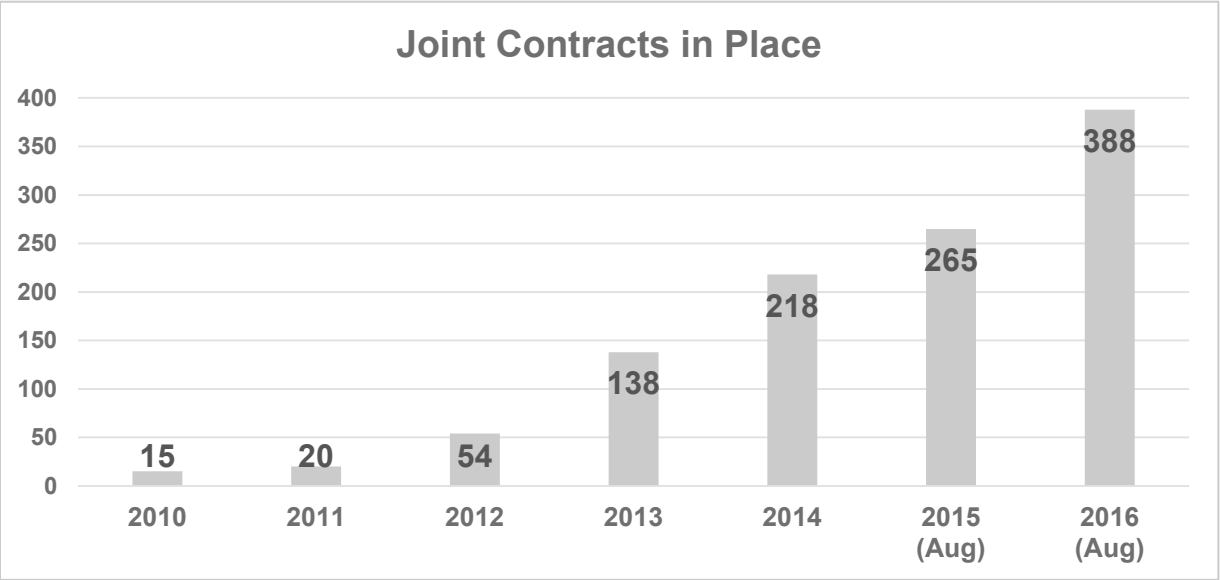
The Real Estate Review recommendations address the four original Shared Services initiatives listed below by consolidating all real estate, facilities management, and state of good repair activities into one organization.

1. Expand the City's provision of lessor services to TTC and TPA
2. Coordinate real estate contract and vendor management
3. Incorporate the agencies in the Facilities Transformation Project
4. Create a Real Estate Centre of Excellence

Roadmap
The project team is working with an external consultant and expects to report to Council in the spring of 2017.

APPENDIX 2: Summary of Cooperative Purchases

The graph below summarizes the joint contracts in place from 2010 to August 2016.



The table below identifies the cooperative purchases completed to date (either through a joint procurement where Agency requirements are built into the City's call before issuance or through piggy-backed procurement where an Agency entered into a contract with the City's vendor after award) and identify future opportunities identified. These tables do not include cooperative purchases with organizations outside the City of Toronto – for example, the Toronto Police Service regularly purchases jointly with other policing organizations at the provincial and federal levels.

Cooperative Purchases Completed

	Cooperative Purchase Title
1	Antifreeze
2	ASL Interpreting Services for Meetings
3	Auctioneering Services
4	Automotive Suspension Parts
5	Banking
6	Batteries
7	Benefit Consultants (Actuarial Valuation – Non-Pension Benefits)
8	Benefit Consulting Services
9	Bicycle Rings
10	Bicycle Rings- Installation & Removal
11	Bio Hazardous Waste Containers and Disposal Services
12	Brokerage Services
13	Bus Services
14	Chain Link Fencing

	Cooperative Purchase Title
15	Cisco Network Equipment
16	Collections
17	Crushed Stone Aggregates, Sand & Gravel
18	Data Network Services
19	Design, Fabrication and Installation of Signage
20	Desktops/Notebooks/Tablets
21	Doors & Maintenance
22	Electrical Supplies
23	Employee & Pensioner Health Benefits
24	Envelopes
25	E-Print Devices
26	Executive and Senior Management Recruitment Services
27	External Audit Services
28	Fasteners
29	Fertilizers
30	Fine Paper
31	Fire Alarm Monitoring
32	Fire Extinguisher Maintenance
33	Fire Hydrant Maintenance
34	Flags
35	Fleet Parts & Inventory Management
36	Fuel
37	Fuel Site Maintenance & Repair
38	Garbage Bags
39	Graffiti Removal
40	Grass Seeds and Mixtures
41	Hardware and Accessories for TTC's Cellular 2-Way Push to Talk Devices
42	Headsets
43	Hydro & Natural Gas
44	Ice Melt Products
45	Industrial Supplies
46	Information Technology Specialist Roster
47	Insurance Adjusting Services
48	Janitorial Supplies
49	Lamp Recycling
50	Lamps & Ballasts
51	Lube Oils
52	Maintenance & Operation of Electrical Traffic Control
53	Media Storage Services
54	Metals
55	Mobile Welding and Fabrication Services
56	Motorola Radios
57	Moving Services
58	New Signal Installation

	Cooperative Purchase Title
59	Over The Phone Interpretations
60	Painting Services
61	Personal Care Products
62	Pest Control
63	Picnic Tables
64	Plumbing Supplies
65	Print & Online Advertising
66	Pumps and Electrical Motors
67	Purchasing Card (P-Card)
68	Radio & Voice Logging Infrastructure
69	Rental of Mops & Cloths
70	Repairs and Replacement of Truck Exhaust Systems
71	Rock Salt
72	RSA Tokens
73	Rust Control Undercoating
74	Safety Footwear
75	Servers & Warranty
76	Signal Equipment Maintenance
77	Springs & Suspensions
78	Stationary
79	Sun Servers
80	Support & Maintenance of Cisco Network Equipment
81	Tire Repairs, Installation and Road Service for On and Off-Road Vehicles
82	Toner
83	Traffic Sign Brackets
84	Training Courses
85	Transit Shelters
86	Translation Services Proofreading, Formatting and Revision Services
87	Truck Chassis
88	Uniform Rental & Cleaning
89	Various Lumber
90	Various Paint Products
91	Various Paper Wipes, Towels, Toilet Paper and Paper Products
92	Various Work Gloves
93	Vehicle Maintenance (e-tests)
94	Vehicles
95	Veritas Licenses and Maintenance
96	Walk Off Mats
97	Waste Oil Removal
98	Watches (25 years of service)
99	Welding Gases
100	Wide Area Network (WAN) Services and Network Cabling
101	Wireless Telecommunication Services & Equipment
102	Provincial VOR - Cell Phones

Cooperative Purchase Title
103 Provincial VOR - Car Share Services
104 Provincial VOR - Courier Services
105 Provincial VOR - Executive and Senior Management Recruitment Services
106 Provincial VOR - Office seating and Furniture
107 Provincial VOR - Laser Printer/ Fax Toner Cartridges
108 Provincial VOR - Office Products
109 Provincial VOR - Uniform Dress Shirts
110 Provincial VOR - Uniform Shirts
111 Provincial VOR - Wireless Goods and services

Appendix 3: Summary of Benefits

The following three pages contains a table that summarizes benefits identified through the work of the Shared Services Working Groups.

This list should not be considered an exhaustive list of benefits – many benefits are hard to capture.

These tables do not include benefits achieved through partnerships with organizations outside of the City of Toronto – for example, the Toronto Police Service regularly partners with other policing organizations at the provincial and federal levels.

Function / Benefit	Efficiency *		Organizations Involved								Comments
	Hours	$,000	City	EP	TCH	TPA	TPS	TPL	TTC	Zoo	
Facilities Management	-	-									
Facilities operations services			•				•				TPS engaged the City as their sole service provider
Energy and Environment services			•	•						•	The Zoo and Exhibition Place use the City's Environment & Energy services
Miscellaneous services			•	•	•	•	•	•	•	•	All organizations share information, tools, and resources
Financial Planning	-	-									
Financial Planning Services			•	•	•	•	•	•	•	•	The City provides Financial Planning services
Fleet Services	1,820	26,693									
Fleet Management SC			•	•	•	•	•	•	•	•	All organizations participate in the Fleet Management Steering Committee
Fleet management services			•		•			•			TCH & TPL engaged the City as their sole service provider
Fleet contracts			•	•	•	•	•	•	•	•	All organizations can access the City's contracts instead of issuing their own
TPS Fuel Sites			•				•				Certain City vehicles access the TPS fuel sites
City Fuel Sites			•	•	•	•	•	•	•	•	All organizations have access to the City's fuel sites
Fleet Management IS	1,820	388	•	•	•			•	•	•	
Emergency Support Function			•	•	•	•	•	•		•	Emergency Support Function (ESF) has been established amongst Agencies
Joint fuel purchases		8,000	•	•	•	•	•	•	•	•	Movement of TTC to lower-cost fuel and savings from a joint purchase
Joint fuel hedging		18,300	•	•	•	•		•	•	•	Hedging provides budget certainty for organizations involved.
Joint vehicle purchases			•	•	•	•	•	•	•	•	
Training		5	•	•	•	•	•	•	•	•	All organizations collaborate on training opportunities
Human Resources	350	-									
Labour Relations											
Labour Relations Steering Committee			•	•	•	•	•	•	•	•	All organizations participate in the LR Steering Committee
Bargaining Services			•	•			•			•	EP, TPS, and Zoo have engaged the City to provide bargaining services
Labour Relations Services			•	•							EP engaged the City to provide all LR Services
Learning & Training											
Learning Working Group			•	•	•	•	•	•	•	•	All organizations participate in the Learning Working Group
Fraud Prevention Course	40		•	•							Used the City's course instead of developing own
Consultants	10		•	•							Used the City's list instead of issuing own call
Ethics Course	40		•						•		Customized the City's course instead of developing own
Health & Safety											
Health & Safety Working Group			•	•	•	•	•	•	•	•	All organizations participate in the H&S Working Group
Training			•	•	•	•	•	•	•	•	All organizations collaborate on training
Policy framework	40		•					•			Customizes the City's policies instead of developing own
Documents and advisories	20		•					•			Access to the City's Intranet saves time looking up documents
eTraining modules.	200		•				•		•		
Ergonomic Services				•	•	•	•	•	•	•	Joint call for assessment services
Working at Heights training			•	•	•	•	•	•	•	•	Collaboration on approach

Function / Benefit	Efficiency *		Organizations Involved								Comments
	Hours	$,000	City	EP	TCH	TPA	TPS	TPL	TTC	Zoo	
Information Management	**1,000**	**170**									
Information Management WG			•	•	•	•	•	•	•	•	All organizations participate in the Working Group
Records classification & retention	1,000		•	•							Adopted the City's standards instead of developing own
Records management services			•		•	•	•		•		The City provides records storage services
FOI Request Services			•							•	
Archives Services			•						•		
Archives Software			•		•	•	•		•		The City provides records storage services software
Miscellaneous services			•	•	•	•	•	•	•	•	
Document management system		170	•	•							Using the City's Document Management System instead of developing own
Information Technology	**-**	**7,817**									
IT Steering Committee			•	•	•	•	•	•	•	•	All organizations participate in the IT Steering Committee
IT Contract Management WG			•	•	•	•	•	•	•	•	All organizations participate in the Working Group
Data Centre Services			•		•						Sharing data centre services
Infrastructure & application support			•		•					•	The City provides infrastructure & application support to TCH and Zoo
911 Platform			•				•				TPS provides a common platform 911 calls and communications
ISP Services		317	•					•			City leveraged the TPL's Cogego Internet Service Provider contract
ISP Services			•					•			1,000% increase in bandwidth
TRIP Radio Services			•		•		•		•		TPS provides radio infrastructure
SAP Services			•				•				City provides SAP services to TPS
SAP Implementation Support			•							•	City and TTC are collaborating on SAP implementations
Email Migration			•	•	•	•	•	•	•	•	Standardization of the email system used by the City and Agencies.
Email infrastructure			•			•				•	City provides email service to TPA and Zoo
Geospatial Federal GFX Program			•				•	•			Contributing to building online Canadian Base Map
Digital Maps			•				•				TPS uses City's digital maps
Open data platform			•							•	TTC leverages City's open data platform
Enterprise License - Geospatial			•	•	•	•	•	•	•	•	Purchasing this software centrally has cost savings potential
SAP Licencing		7,500	•						•		TTC leveraged City's SAP contract
Insurance & Risk Management	**-**	**2,500**									
Insurance Working Group			•			•			•		
Insurance Services			•	•	•		•	•		•	Full insurance & risk management services
Miscellaneous services			•	•	•	•	•	•	•	•	Miscellaneous services provided upon request
TTC Coverage of City vehicles		1,500	•						•		Pending Provincial approval to expand TTCICL to insure City vehicles
TPA/City Insurance Consolidation		1,000	•			•					Estimated savings over 5 years
Internal Audit	**-**	**-**									
Internal Audit Working Group			•		•	•	•		•		All organizations with IA functions participate
Internal Audit Services			•	•	•		•	•		•	City performs work for Agencies when requested
Joint purchase of licences			•		•	•	•		•		

Function / Benefit	Efficiency *		Organizations Involved								Comments
	Hours	$,000	City	EP	TCH	TPA	TPS	TPL	TTC	Zoo	
Legal	-	-									
Full legal services			●	●						●	
Real estate legal services			●	●	●	●	●	●	●	●	
Municipal law services			●			●		●			
Legal counsel			●				●				For the TPS Board
Employment & Human Rights			●				●				
Parking Services	-	-									
Parking services			●	●	●	●		●	●		TPA provides parking services for multiple organizations
Procurement	**14,000**	**558**									
Procurement Steering Committee			●	●	●	●	●	●	●	●	All organizations participate in the Procurement Steering Committee
Cooperative Purchasing Group			●	●	●	●	●	●	●	●	All organizations participate in the CPG
Joint procurement	14,000	558	●	●	●	●	●	●	●	●	Agencies save time issuing separate calls for common goods
Full Procurement Services			●	●							City provides full purchasing services
City Stores Services			●	●	●	●	●		●	●	City provides stores services
Real Estate	-	-									
Real Estate Review			●	●	●	●	●	●	●	●	All organizations are involved in recommendation implementation
	17,170	37,738									

* Efficiency amounts are a sum of all potential efficiencies, including the items listed below.
- Savings (both annual and one-time)
- Cost avoidance (both annual and one-time)
- Reduced Workload (both annual and one-time)