13.

STAFF REPORT
INFORMATION ONLY

Update on the Shared Services Project – City Report

Date:	January 30, 2017
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

This report presents the City of Toronto's *Update on the Shared Services Project* (see Attachment 1) from the Deputy City Manager & Chief Financial Officer; and also provides an update about the Toronto Public Library's involvement in various shared services projects and in ongoing discussions about additional shared services opportunities.

The goal of the Shared Services Project is for the City and its agencies to work collaboratively to identify and implement opportunities for shared services that will achieve cost savings and service improvements.

The report from the Deputy City Manager & Chief Financial Officer went before the City's Executive Committee on January 19, 2017, and was received for information (see Attachment 1).

FINANCIAL IMPACT

There is no financial impact to the 2017 operating budget arising from this report.

Implementation of some shared services opportunities, in particular regarding information technology (IT), may require significant upfront investment. Additional resources that may be required to implement shared services opportunities will be included in the budget process for future years, as necessary.

The Director, Finance and Treasurer has reviewed this financial impact statement and is in agreement with it.

DECISION HISTORY

In 2012, City Council requested the City Manager to conduct a Shared Services Study to identify shared services opportunities among City divisions and agencies. The Deputy City

Manager & Chief Financial Officer's report entitled *Update on the Shared Services Project* (Attachment 1, page 2) provides a decision history for this initiative at the City of Toronto.

At the Library Board meeting on September 23, 2013, the *Results of City's Shared Services Study* report was provided to the Board. The Board report included as an attachment a City report entitled *Results of the Shared Services Study – City Agencies*. In response to the report, the Board approved the following two (2) motions: That the Board:

1. *endorses the following principles for the Library's participation in shared services discussions:*
   - *i. that Board governance and authority be recognized;*
   - *ii. that implementation of the shared services programs be cost neutral to the Board and provide a return on investment;*
   - *iii. that Toronto Public Library have on-going participation in the planning and implementation of applicable shared services programs and there be on-going reporting back to the Board; and*
   - *iv. that Toronto Public Library maintain control over the collective bargaining function while continuing to work collaboratively with the City; and*

2. *requests the City Librarian to report to the January 2014 meeting with an update on the shared services discussions with the City.*

At its meeting on January 20, 2014, the Board received a second report from staff about the status of the shared services project, including a report and presentation from the City's Deputy City Manager & Chief Financial Officer and other City staff. The Board received the report and presentation for information.

Staff also prepared a third report about the City of Toronto's *Update on the Shared Services Project,* which the Board received for information at its meeting on September 21, 2015.

The attached report from the Deputy City Manager & Chief Financial Officer entitled U*pdate on the Shared Service Project*, went before the City's Executive Committee on January 19, 2017, and was received for information.

ISSUE BACKGROUND

In June 2012, the City Manager wrote to the City Librarian to advise that City Council had directed the City Manager to undertake a study to examine the opportunities to increase shared services in some common services and functions at the City and its agencies. The stated objective of the Shared Services Study was to reduce costs, increase service efficiency and effectiveness, and improve customer service. The City of Toronto retained the consulting firm, KPMG, to undertake the study of shared services opportunities.
The first Shared Services Study included City Divisions and six (6) agencies: Exhibition Place; Toronto Parking Authority; Toronto Police Services; Toronto Transit Commission; Toronto Public Health; and Toronto Public Library. The study examined opportunities for shared services in eight (8) functional areas: human resources/labour relations; information

technology; internal audit; insurance and risk management; legal services; purchasing and materials management; records management; and real estate services. The scope of the shared services project has since been expanded to include two (2) more agencies (Toronto Zoo and Toronto Community Housing Corporation) and new functional areas. The City report identifies the current scope of the shared services project.

Management staff at Toronto Public Library (TPL) have participated in all stages of the shared services project, beginning with the study undertaken by KPMG in 2012; and TPL staff continue to participate in the Executive Steering Committee and various working groups.

COMMENTS

This section identifies the various ways TPL participates in the Shared Services Project, but does not repeat content found in the City report (Attachment 1).

Below is a description of TPL's involvement in the Shared Services Project: the first part is a general overview of TPL's involvement in current discussions about shared service opportunities; and it is followed by a list showing the status of TPL's participation in each of twenty-two (22) shared services projects identified in the City's report (Attachment 1, page 5).

TPL's involvement in ongoing discussions about Shared Services Opportunities:

The City and its agencies continue to look for and consider new opportunities for shared services that will achieve cost savings and/or service improvements. This work takes place primarily in the three (3) forums identified below:

i. Executive Steering Committee: The Steering Committee provides leadership and strategic direction for the shared services project. The City Librarian is a member of the Steering Committee.

ii. Meetings with Senior Project Manager & Research and Policy Analyst, Shared Services: the City Librarian and appropriate Directors meet with members of the shared services project team on an ongoing basis, in order to provide information and feedback, as requested.

iii. Working Groups: Working Groups comprised of staff from City divisions and the agencies have been established. The role of the Groups is to assess the feasibility and value of shared services opportunities within individual functional areas. TPL staff have been members of Working Groups for thirteen (13) shared services projects. Work on five (5) of the (13) projects is not yet completed, and TPL has an ongoing involvement with these Working Groups.

Below is the chart from the City's report (Attachment 1, page 5), which identifies all of the shared services projects undertaken by the City and its agencies. The status of TPL's participation in each of the twenty-two (22) shared services projects is the right-side column.

	Recommendation	Status / Target Completion Year	TPL Participation
Implement and Report as Required			
1	Share generic training and learning functions	Complete	Yes
2	Coordinate and standardize common Health and Safety functions	Complete	Yes
3	Enhance Agency use of the City's Internal Audit Division	Complete	Yes
4	Establish a Quality Assurance Centre of Excellence	Complete	Not Applicable
5	Continue to rationalize the City stores and automate P2P processes	Included in #10, below	Not Applicable
6	Provide the City's FOI online submission application to agencies	Complete	Yes
7	Expand the City's provision of lessor services to TTC and TPA	Included in #22, below	Not Applicable
8	Insure the TTC and the TPA under the City's insurance	Complete	Not Applicable
Implement Pending Further Due Diligence and Planning			
9	Develop a labour relations and collective bargaining strategy	Complete	Yes
10	Share procurement of common goods and implement strategic sourcing	2020	Yes
11	Standardize HR information systems and share payroll administration	2020	Yes
12	Share common information technology infrastructure	2020	Yes
13	Rationalize information technology applications	2020	Yes
14	Coordinate real estate contract and vendor management	Included in #22, below	Yes
15	Establish a change management centre of excellence	Complete	Yes
16	Include the agencies in a plan to transition to managing digital records	Complete	Yes
Additional Shared Services Opportunities			
17	Incorporate the agencies in the Facilities Transformation Project	Included in #22, below	Yes
18	Create a Fleet Management Centre of Excellence	Complete	Yes

Recommendation		Status / Target Completion Year	TPL Participation
19	Establish an IT Contract Management Centre of Excellence	Complete	Yes
20	Create an Internal Audit Centre of Excellence	Complete	No
21	Create a Real Estate Centre of Excellence	Complete	Not Applicable
22	Implement the findings from the Real Estate Review	2018	Yes

Next Steps:

As the Executive Steering Committee and the Working Groups proceed with their investigations of the feasibility and value of individual projects and new opportunities, TPL also will consider and assess the full-range of impacts that may result from participation in shared services opportunities. Cost saving and other related benefits will be dependent on the viability of the opportunities.

TPL will continue to participate in the Executive Steering Committee, in meetings with the project team, and in the Working Groups for various functional areas.

Where appropriate, staff will seek approval from the Board on matters relating to governance or with budget impacts.

CONTACT

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SIGNATURE

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Vickery Bowles
City Librarian

ATTACHMENTS

Attachment 1: *Update on the Shared Services Project* (City of Toronto, Report to Executive Committee, January 19, 2017)