



The Corporation of the Town of Milton

Report To:	Council
From:	Strategic Management Team
Date:	March 2, 2020
Report No:	ES-002-20
Subject:	Service Delivery Review - Phase Two
Recommendation:	<ol style="list-style-type: none">1. THAT the Service Delivery Review Phase Two Scope of Work as presented on Schedule B be approved.2. THAT the approved budget for project C10013019 (Service Delivery Review) be increased by \$96,000 to a revised total of \$354,750, with funding from the Project Variance Account.

EXECUTIVE SUMMARY

- Phase one of the Town's Service Delivery Review (SDR) was undertaken in 2019 with a focus on the Town's largest public-facing services as provided by the Community Services Department and Operations Division.
- The scope of work for phase two of the SDR has been prepared with a focus on the Town's Corporate Services Department, which consists mainly of internal facing services.
- Subject to Council approval, a firm from the Town's consulting roster will be retained to undertake the review with the Town's Strategic Management Team serving as a Steering Committee.
- Based on the funds remaining in the Town's project account for SDR initiatives, a budget increase of \$96,000 is being requested to provide for the contract award and any potential related costs.

REPORT

Background

A corporate-wide SDR project was identified as a priority by Council in the 2019 Budget. The intent of the SDR is to improve the understanding of the services currently provided by the Town and provide better information that will allow Council and staff to make informed, strategic choices regarding those services.

The scope of work for the first phase was approved in January 2019 through report ES-003-19. The focus of phase one was the services provided by the Community Services



Department and Operations Division since they provide large-scale public-facing services. The final report was presented in August 2019 through report ES-015-19. 18 priority opportunities were endorsed in principle by Council and require further operational and financial validation in advance of implementation. A summary of the phase one opportunities is presented as Schedule A to this report.

Phase two, which is the subject of this report, will commence upon approval by Council of the scope of work attached to this report. The scope of work for the SDR project requires approval from Council to ensure the deliverables meet with Council expectations.

Discussion

Phase 2 Overview

Staff is recommending that the second phase of the SDR review the services provided by the Corporate Services Department. This will include all Town services provided through the Finance, Information Technology, Human Resources and Legislative & Legal Services Divisions.

To ensure that the deliverables of the SDR meet the expectations of Council, approval of the scope of work attached as Schedule B is being recommended through this report. The review will identify current services and their delivery approach, potential changes to service delivery methods and/or service levels and recommend opportunities for service improvement or cost effectiveness.

Opportunities identified through the SDR will be presented to Council for consideration with the recommended steps for implementation. The review will ultimately provide recommendations for changes, expansion, reduction, elimination and alternate service delivery options. A final report to Council is expected by September 2020.

Steering Committee & Project Management

The Steering Committee for the project will consist of the Strategic Management Team. It is anticipated that after the initial project kick-off meeting the role of the committee would be to provide any required oversight, direction and approvals, trouble shooting and review of materials. Individual project team members will be required to provide information and input specific to their areas.

The Town previously undertook a Request for Proposal to seek qualified professional consultants to establish a roster of firms capable of undertaking third-party service delivery



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reviews (or similarly sustainability, value for money or special purpose reviews) on behalf of the Town. A firm from that roster will be awarded a contract to undertake the SDR Phase 2.

Engagement Plan

One of the requirements listed in the SDR Scope of Work is the development and execution of an engagement plan. Given the importance of the review it is imperative to seek input and feedback from Council, staff and the public. Once the successful vendor has prepared the engagement plan to the satisfaction of the Steering Committee it will be circulated to Council as information. The Corporate Communications Division will be involved in all internal and external messaging regarding the SDR to ensure an approach consistent with the Town's brand.

Financial Impact

Award of specific assignments to the firms listed on the Town's roster will occur in accordance with the Town's purchasing By-law (No. 061-2018).

A project budget of \$258,750 was approved through the 2019 Budget to undertake service delivery reviews. Of this amount, \$107,172 remains available to spend following the completion of the Phase 1 review. A budget increase of \$96,000 is being recommended through this report. This amount provides for the award to a consulting firm for the scope described in Schedule B as well as any related costs that may be required. The increase will be funded from the Town's Project Variance Account in accordance with the Town's Budget Management Policy (No. 113).

Respectfully submitted,

Troy McHarg
Commissioner, Corporate Services / Town Clerk

For questions, please contact: Troy McHarg/Glen Cowan

Attachments

Schedule A – SDR Phase One Summary

Schedule B – SDR Phase Two – Scope of Work



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CAO Approval
Andrew M. Sitala
Chief Administrative Officer

Schedule A

SDR Phase 1 Summary

On August 26, 2019 Council received Phase 1 of the Service Delivery Review project which included the Community Services Department and Operations Division.

Eighteen high priority opportunities were identified and included:

Community Services

1. Invest in energy management (18 months)
2. Introduce service standards (18 months)
3. Repurpose the outdoor pool (36 months)
4. Pursue different models for single purpose facilities (Status Quo)
5. Pursue changing the Town's Senior Centre operating model (36 months)
6. Maintain fitness studios/weight rooms (Status Quo)
7. Maintain the planned concession mix (Status Quo)
8. Pursue changing the in-house advertising operating model (24 months)
9. Balance design and construction resourcing (18 months)
10. Review recreation user fees and cost recovery (24 months)

Operations

11. Address garbage in parks (24 months)
12. Convert seasonal workers (18 months)
13. Alternate variable staffing model (18 months)
14. Forecast workload of new infrastructure (18 months)
15. Increase automation from IT (24 months)
16. Consolidation fleet vehicles (18 months)
17. Change to leasing vehicles (36 months)
18. Plow side streets sooner (36 months)

As identified in the Council report (ES-015-19), further financial and operational analysis will need to take place over the next 3 years and final decisions on whether the recommendations will move forward to the implementation phase will be subject to Council approval. The proposed implementation plan timelines listed in the consultant's final report are listed above and take in to consideration urgency, dependencies and estimated effort. Dates are subject to resources/capacity to complete the required work.

A status update will be provided to Council in the third quarter of 2020.



Schedule B

SCOPE OF WORK

SERVICE DELIVERY REVIEW (SDR) - PHASE 2

Review all services currently offered by the Corporate Services Department.

Milton is undertaking a SDR of the Corporate Services Department. This review is intended to improve the understanding of the services currently provided by the Town and provide better information that will allow Council and staff to make informed strategic choices regarding those services. Responding to pressures for greater efficiency, cost effectiveness in service delivery, improved performance and sustainability, the review will identify current services and their delivery approach, potential changes to service delivery methods and/or service levels and recommend opportunities for service improvement or cost effectiveness.

Opportunities identified through the SDR process will be presented to Council for consideration with the recommended steps for implementation. The Town expects to make decisions based on the individual project deliverables, risk assessment and the value for money evaluations prepared by the consultant. The review will ultimately provide recommendations for changes, expansion, reduction, elimination and alternate service delivery options by September 2020.

Finance Division Overview

The Town of Milton's Finance Division is responsible for providing financial management services to residents, internal departments and Council. The services provided generally fall within the following nine categories:

- Property Tax Billing & Collection
- Assessment Base Management
- Procurement
- Risk Management
- Accounting
- Payroll
- Financial Planning and Reporting
- Treasury
- Development Finance

The 2020 approved budget currently provides for 41.3 non-union staff (full-time equivalents) within the division. The 2020 Finance Division portion of the Town's gross operating expense is \$5.0 million (3.5%). In addition to property tax revenue, the division recovers a portion of its operating expenses from external sources such as user



fee revenue, fines and penalties, rebate programs, building fees, as well as through the recoveries from the Town's capital program.

The Finance Division relies on numerous financial software solutions and providers in order deliver services, including CMIC, FMW, Vailtech, eSolutions, etc. A significant portion of analysis also continues to occur in Microsoft excel.

Human Resources Division Overview

The Town of Milton's Human Resources Division is responsible for providing human resource management services in support of the Town's employees, people leaders, and the corporation. The services provided generally fall within the following categories:

- Employee Relations
- Talent Acquisition
- Labour Relations
- Organizational Learning and Development
- Human Resources Information
- Compensation and Benefits
- Occupational Health, Safety and Wellness
- Legislative Compliance

The 2020 approved budget currently provides for 7 non-union staff (full-time equivalents) within the division. The 2020 Human Resources Division portion of the Town's gross operating expense is \$1.5 million (1.0%), which includes costs related to the programs administered by the division.

The Human Resources Division relies on software providers in order to deliver services, including CMIC, FMW, D2L, HR Downloads, and Recruit Right. A significant portion of tracking and analysis also continues to occur in Microsoft excel.

Information Technology (IT) Division Overview

The Town of Milton's IT Division is responsible for provisioning, maintaining, and advancing technology services and facilitating access to data for residents, internal departments and Council. The services provided generally fall within one of the following eleven categories:

- Business Process Analysis and Systems Configuration
- Data Warehousing and Application Management
- Incident Management and Service Desk
- Business Intelligence & Data Analytics



- Telecommunications
- Data Centre Management
- Server and Network Operations Management
- Project Management
- GIS Services
- Information and Security Management
- Business Continuity and Disaster Recovery Planning

The 2020 approved budget currently provides for 21.6 non-union staff (full-time equivalents) within the division. Contract staff are also occasionally utilized for project or scope specific work. The 2020 IT Division portion of the Town's gross operating expense is \$5.2 million (3.6%). This figure includes staff as well as costs related to the programs that are managed by the division.

The IT Division relies on numerous enterprise platform providers and hardware OEMs in order deliver services including Oracle, Vmware, Microsoft, HPE and Mitel. In addition to these providers, the IT division relies on support from application vendors to continually enhance feature sets of key enterprise applications to match documented business needs (Taxation, Licensing & Permitting, Recreation Management, Finance/Purchasing/Payroll, HRIS, Fire Records/Dispatch, and GIS).

Legislative & Legal Services Division Overview

The Town of Milton's Legislative & Legal Services Division is responsible for providing corporate governance, information governance, elections, licensing and enforcement. The services provided generally fall within the following nine categories:

- Council Meeting Management
- Information Governance
- Records Management
- Legal Administration
- Elections
- Licensing
- By-law and Parking Enforcement
- Corporate Accessibility
- Corporate Reception

The 2020 approved budget currently provides for 22.5 non-union staff (full-time equivalents) within the division. The 2020 Legislative & Legal Services Division portion of the Town's gross operating expense is \$3.4 million (2.3%). In addition to property tax revenue, the division recovers a portion of its operating expenses from external sources

such as user fee revenue, fines and penalties, as well as through the recoveries from the Town's capital program.

The Legislative & Legal Services Division relies on numerous software providers in order deliver services, including AMANDA, Teranet, Datafix, etc.

Project Objectives

To review and gain a better understanding of the services provided by the Corporate Services Department, and to assist Council in making informed, strategic choices regarding the services and service levels currently provided.

Specific Objectives (in no particular order) include:

- Investigate, clearly define, document and understand the various services, their delivery models, the service levels provided, and the impact the services have on Milton residents & the department's client groups
- Develop a performance measurement framework, including the establishment of targets and thresholds to support evidence-based corporate decision-making
- Provide benchmarking of Town resources, service levels and outputs relative to peer municipalities
- Assess alternative service delivery models and possible changes to the level of service
- Identify the appropriate staffing and resource levels to support each service and related service levels provided
 - Review the current organization structure and resourcing levels of the IT division, identify existing service delivery bottlenecks and document technology risks based on current operating model. Provide recommendations for mitigating risks and enhancing IT service delivery to the Corporation.
- make recommendations on whether programs, services, and/or activities should be:
 - a) enhanced
 - b) maintained
 - c) reduced
 - d) eliminated
 - e) or delivered in an alternate manner
- Determine opportunities to be more efficient and effective in the sustainable delivery of programs, services, and/or activities which are not recommended for elimination
- Understand the cost impacts of any recommendations with a view to delivering the most cost-effective programs possible

Project Deliverables:

It is expected that the successful vendor will develop a detailed work plan and schedule that meets the completion date for the project.

The final report will maximize data usage for the purposes of informed evidence-based decision-making and provide recommendations for the development of the Town of Milton's Service Delivery Strategy for the department including providing recommendations, an implementation plan, projected financial implications (capital & operating) and next steps.

Project deliverables will include the following:

- Development and execution of a Stakeholder Engagement Plan that includes Council, staff and the public;
- Description and evaluation of the structure and service levels through detailed "Service Profiles". Recommendations will include whether services should be enhanced, maintained, reduced, eliminated, or delivered in an alternate manner;
- Development of a performance measurement framework (Key Performance Indicators) for each of the service areas defined
- Benchmark the department's services, resource levels and outputs against comparator municipalities and best practices;
- Identify opportunities to increase revenue streams
- Identify opportunities to leverage technology
- For 10-15 specific opportunities for improvement that are identified, present a business case outlining the situation, alternatives assessed, recommendation, and financial / operational / client-focused considerations and projected outcomes with general timelines.
- 25 printed and bound copies of the final report.
- Accessible PDF of final report

The vendor is expected to undertake independent research as part of this assignment with respect to areas such as benchmarking to other municipalities, identification and evaluation of alternatives, and the establishment of performance measures and targets. This may involve leveraging knowledge from prior vendor assignments, directly contacting other municipalities/service providers, or undertaking other forms of research/information sourcing.

Final Report

The vendor will be required to present the draft report to the Strategic Management Team by August 2020 and will be required to present the final report to Council in September 2020. The SDR Phase 2 Final Report will include alternatives, recommendations and strategies for implementation along with associated implications.



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Steering Committee

Strategic Management Team

Project Schedule

March 2020 - Award to successful proponent

August 2020 - Presentation of Draft Report to SMT

September 2020 - Presentation of Final Report to Council