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### Tracking Status

- This item was considered by Executive Committee on July 2, 2014 and was adopted without amendment.

### Executive Committee consideration on July 2, 2014

EX43.21	ACTION	Adopted		Ward:All
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### Update on the Shared Services Project

#### Committee Decision

The Executive Committee received the item for information.

#### Origin

(June 17, 2014) Report from the Deputy City Manager and Chief Financial Officer

#### Summary

This report responds to City Council's request for the Deputy City Manager and Chief Financial Officer to report back with options to accelerate the implementation of shared services opportunities in the KPMG Shares Services Efficiency Study to achieve potential costs savings ranging from \$10 million to \$15 million in 2014.

To do this, the Deputy City Manager and Chief Financial Officer accelerated the creation of a project team that facilitated the creation of an Executive Steering Committee and 13 working groups. These working groups have started analysing options to accelerate implementation.

In addition, the Executive Steering Committee has expanded the project scope beyond the opportunities identified by KPMG to include the areas listed below:

- Three functions – Fleet Services, Facilities Management, Information and Technology Contract Management
- Two centres of excellence – Internal Audit, Real Estate.

Based on the working group activities, the five opportunities listed below have been completed:

1. Enhance the Use of the City's Internal Audit Division by agencies that do not have their own Internal Audit Resources
2. Expand the City's provision of lessor services to the Toronto Transit Commission and Toronto Parking Authority
3. Establish a Fleet Services Centre of Excellence
4. Establish an Internal Audit Centre of Excellence
5. Establish a Real Estate Centre of Excellence.

For the recommendations that are not complete, the high-level analysis performed by the

working groups has shown:

- to estimate the actual potential savings and service improvements, a more detailed review and due diligence must be performed and an implementation plan created; and
- the full implementation of many recommendations is dependent on the successful implementation of a common information technology infrastructure.

The City and the agencies are already collaborating in many areas, including the areas listed below:

1. Facilities Management
  2. Fleet Services
  3. Human Resources
  4. Information and Technology
  5. Information Management
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1. Insurance and Risk Management
  2. Internal Audit
  3. Legal Services
  4. Purchasing
  5. Real Estate Services

The transition to a shared services delivery model is a journey that takes leadership, careful planning, and strategic investments – often involving a multi-year, multi-phase transformation across multiple organizations. Although some opportunities may be implemented in a shorter time frame, a number of opportunities are broad transformational directions that require further due diligence to determine the potential service improvements and savings. Due diligence must be complete before an implementation strategy is created.

Shared services should not be viewed as a solution to existing organizational problems, but rather an opportunity to examine greater collaboration in various forms with the potential to reduce costs and improve service.

The Shared Services Project is a multi-year initiative that requires support from Council, the agency boards, and senior staff. For this reason, regular updates will be reported to Council and the agency Boards.

### **Background Information**

(June 17, 2014) Report and Appendices 1 and 2 from the Deputy City Manager and Chief Financial Officer on Update on the Shared Services Project  
(<http://www.toronto.ca/legdocs/mmis/2014/ex/bgrd/backgroundfile-70769.pdf>)

### **Motions**

*Motion to Adopt Item moved by Councillor Vincent Crisanti (Carried)*

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Source: Toronto City Clerk at [www.toronto.ca/council](http://www.toronto.ca/council)