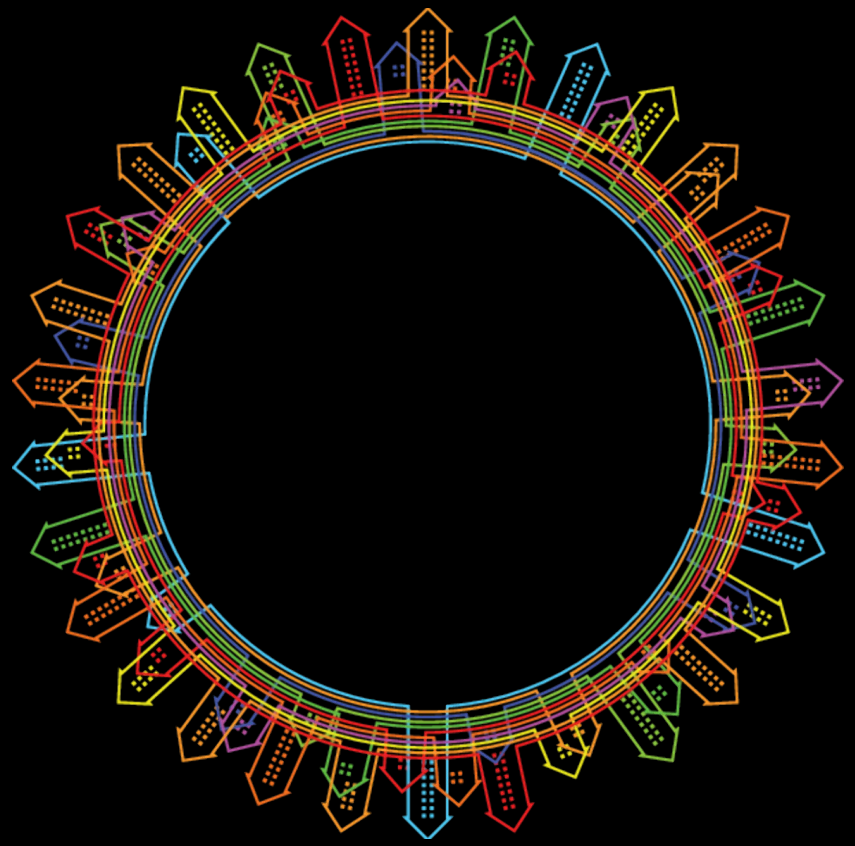
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City of Regina
Efficiency Review

December 1, 2021

MAKING AN IMPACT THAT MATTERS since 1845

Disclaimer

This written communication (the “Final Report”) has been prepared for the City of Regina (“CoR” or “the City”) per the terms of our Statement of Work, executed on May 31, 2021, between the City and Deloitte LLP (“Deloitte” or “we”). All financial and operational information in the Final Report was provided by the City as part of this review. Deloitte makes no representations about, nor has Deloitte verified or audited the accuracy or correctness of any information provided by the City. The City’s leadership maintains responsibility for verifying the accuracy or correctness of this information.

All analysis and recommendations outlined within the Final Report are based upon interviews with the City and external groups, data collected from the City and other additional information provided as at the date of this report. The Final Report is based on information collected and assessed over the course of this project and serves as a preliminary view of the opportunities identified and selected to date based on high-level financial, operational, and regulatory assumptions. Any insights and/or considerations on the opportunities presented are subject to further diligence and alignment with the City’s management.

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The data and Final Report are provided as of December 1, 2021, and we disclaim any undertaking or obligation to advise any person of any change in any fact or matter affecting this analysis, which may come or be brought to our attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the analyses after the date hereof, we reserve the right to change, modify or withdraw the analysis.

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Executive summary

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Executive summary

Purpose

Deloitte was engaged by the City to undertake an efficiency review, the goal of which was to provide the City with opportunities for change, that would help it to "do more or better with the same"; essentially, ways to improve its efficiency. This final report documents our approach, the complete list of opportunities identified and the 14 opportunities that the Executive leadership Team (ELT) intends to action along with an outline plan for their implementation.

Scope of services

At the beginning of the engagement, we worked with City administration and the Efficiency and Recovery Task Force to identify the six services that were to be within the scope for the Review. From a review of available data and the selection criteria that were established, the following six services were selected:

Parks 

Procurement 

Fleet 

Facilities 

Roadways 

Information Technology 

Establishing a service culture and mindset

During the Review, we observed some challenges with service delivery and many opportunities for improvement (some of which the City is already addressing). We also observed that the City provides much needed value to its residents.

In order to become an organization that continually improves, the City needs to engrain a service mindset and culture in every aspect of its operations. This will require the implementation of a framework to define the services that the City provides, track the costs by service, and help to ensure that those that are delivering the service have a clear line of sight as to who benefits from the service. Establishing a service mindset by formally defining and tracking quantitative and qualitative information would support the implementation of the priority opportunities in this report and provide a strong foundation for the City to build on as it seeks future efficiencies.

During our discussions, stakeholders reported anecdotal examples of behaviors that lead them to believe that City employees are not universally focused on carrying out their duties to the best of their abilities when working in public or at City locations. When missteps occur in public, any instances observed by residents can be particularly damaging for the City and can lead to residents developing negative views on the City and its employees. As such, a culture would be beneficial whereby, in part, the employees would be engaged in establishing how they should better carry out their duties. The employees are an important stakeholder group in ensuring that services are delivered economically, efficiently and effectively since they are on the front line in carrying out the services, and therefore are a critical group that need to agree on and commit to driving change throughout the City.

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Executive summary (cont'd)

The case for change

Our general observations and the number and likely impact of the opportunities that we have identified in our report have led us to conclude that the City should establish a Transformation Office to help identify, drive and coordinate the implementation of change. The Office would help to change fundamentally how the City delivers its services, with a vision of implementing technology where appropriate, and driving behavioral changes to help realize the benefits that are available to the City and its taxpayers.

Priority opportunities

Our review identified over 75 hypotheses and lines of enquiry that were considered during the Review. Ultimately, 53 of these lines of enquiry were validated as credible opportunities and 14 of the 53 opportunities were identified by the ELT as priority opportunities for the City to act upon immediately owing to their potential impacts.

These 14 top opportunities are expected to generate annual savings of approximately $17.2M for those opportunities where savings could be calculated. All 14 opportunities could require a total one-time investment of between $6.5M to $12.6M (subject to the completion of business cases). The opportunities would also contribute to a firm foundation that would help the City to identify and implement additional future efficiencies.

Service	Opportunities	Efficiency gain ($K)	Est. cost to imp. ($K)*
Foundational	1. Establish a Transformation Office	n/a	1,550 – 2,150
	2. Implementation of a modern Customer Relationship Management (CRM) system	n/a	3,000 – 4,000
	3. Clarify service definitions	n/a	250 – 1,000
Parks	4. Schedule and deploy Parks resources more effectively	614	250 – 1,000
	5. Define and apply key performance indicators (KPIs)	1,603	100 - 250
Procurement	6. Improve procurement approaches	8,000	250 -1,000
	7. Revise procurement contract terms	2,041	100 - 250
	8. Consolidate low value purchasing	1,884	100 – 250
Fleet	9. Reduce operator damage to City equipment	284	<100
	10. Increase the scope of Telematics, analyze and act on the data collected	1,218	250 – 1,000
	11. Improve civic maintenance operations	760	100 - 250
	12. Introduce a ratchet to limit asset replacements when budgeting	560	<100
Facilities	13. Monitor utilities at City locations and act to reduce usage	210	250 – 1,000
Roadways	14. Introduce long–term contract and vendor management	1,004[1]	100 - 250

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[1]Indicates double counting with another opportunity *Subject to business case development

Executive summary (cont'd)

Establishing the Transformation Office

Establishing the Transformation Office would help the City to implement opportunities that naturally cross departments by helping the departments to work together for the good of the residents and the City. This linked-up working will be critical if the City is to realize the benefits of the opportunities as it puts focus, attention, and effort into achieving the desired changes.

The Transformation Office would also be a critical contributor to change management since it would support a citizen-first focus on the services, setting an example and providing instruction on how to drive change and collaborate between departments, and providing perspective to the ELT on the management of the risks that lie within the City's control.

Governance and accountability of the Transformation Office

For the Office to be effective, it needs a clear vision of and the authority to carry out its mandate. Having the Transformation Office reporting to the Executive Director, People and Transformation with direct accountability to the City Manager and Council are important practices to implement to support the effectiveness of the office.

The Transformation Office needs to work collaboratively throughout the organization but ultimately it must have the authority to help set the City up for success, identify opportunities for change and help to drive their implementations if the services are to do more or better with the same resources.

Implementation roadmap

The implementation roadmap lays out the timing for the execution of the top 14 opportunities and their interdependencies.

Working with the ELT, the 14 opportunities were sequenced to be completed between 2022 and 2024. The foundational opportunities are three opportunities that represent key building blocks for achieving additional efficiencies in the future. The sequencing took into consideration efficiency savings, importance, urgency, ease of implementation and corporate initiatives that are planned or started. Out of the 14, there are three foundational opportunities as mentioned above and all 14 will commence at the beginning of 2022.

Detailed project plans with milestones will be developed to ensure the opportunities stay on track and that progress is made and measured. The Transformation Office will be instrumental in this project management.

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Approach

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Overview

We were engaged by the City to complete an Efficiency Review under RFP #COR5587, working alongside the City's Executive Leadership Team, and reporting to the Executive Committee of Council. The City continues to seek to provide services to the community at the right level of service, efficiently and transparently. To this end the Review was asked to report on any services that should no longer be provided and any that might be pared down or made more efficient.

The primary purpose of the Review was to find ways to "do more or better with the same" (i.e. to improve efficiency) while respecting the Official Community Plan, the Economic Development Regina Growth Plan, the Energy & Sustainability Framework, the Community Safety & Well-being Plan and other strategic and foundational directions of the City including the general requirement to invest in infrastructure.

Background

Our approach was based on assessing the economy, effectiveness and efficiency of municipal services under five distinct phases.



Phase 0 was completed in July with Phase 1, 2 ad 3 broadly being completed during August, September and October respectively and this report being drafted during October and November 2021.

Approach

Our approach examined each service through multiple lenses. Given that digital transformation is occurring in many Cities, we have found that many municipalities require specific digital considerations in assessing how to deliver services in the future. As such, we conduct our reviews through the following perspectives described in additional detail overleaf.

- Service (business)
- Financial
- Digital
- Stakeholder (council, citizen, employee)

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The four lenses used to assess each service

Our approach has the following analytical layers embedded within each of the four key phases.

	Phase 1- Understand services	Phase 2 – Identify opportunities	Phase 3 - Prioritize opportunities	Phase 4 – Prepare final report
Service (business) lens	• Consider the rationale for providing the services (legislative vs council directed)and outcomes	• Identify how outcomes can be improved	• Confirmation that opportunities will improve intended outcomes, or create capacity to support higher priority outcomes	• Articulate the anticipated improvement to outcomes from recommendations
Financial lens	• Develop the financial profile of the services, including the cost and value that can be generated from the opportunity	• Review contracts, delivery models, cost profile, potential investments and quantify potential savings or future cost reduction	• Validate financial assumptions and consider opportunities through multiple lenses	• Provide financial analysis to support the business case
Digital lens	• Understand the technology that is currently in use and its impact on users	• Discover the art of the possible and understand what technology options are leading practices	• Confirm the benefits of technology options and the impact on citizens and staff	• Build the business case for technology investment or prioritization (if required)
Stakeholder lens	• Define how various stakeholders are impacted from the services	• Understand stakeholders' views on the delivery of services	• Consider how stakeholder views will be addressed (or not)	• Demonstrate how potential stakeholders will be impacted and demonstrate how stakeholders have been heard

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Phase details

Additional details on the Approach are provided below.

Phase 0 Select services for review

Agreed on the nine criteria and their relative weightings to be used in the selecting of the services. These criteria included:

- Cost/resource usage
- Upside likely from service
- Risks associated with service

Developed a heatmap that ranked the top services for the Review for discussion with the ELT and Efficiency and Recovery Task Force.

Helped the ELT to select its top six services and shared them with the Efficiency and Recovery Task Force and Council.

Collected data on the services offered by the City in support of Phase 1.

Phase 1 Understand services

Conducted > 31 interviews with the Infrastructure team, Innovation & Renewable team and with the Directors and Managers within the selected services of the City to gain an understanding of the:

- Services/sub-area in the departments selected
- Technology in place
- Financial information
- Client satisfaction
- Service requests
- Strategic objectives
- Sustainability and economic value principles

Three Council meetings.

Developed service profiles along with an organizational and financial baseline (2019 data) against which we were to develop and evaluate the opportunities for improvement.

Analyzed the baselines and the hundreds of documents provided by the City.

Phase 2 Identify opportunities

Continued to analyze the documentation provided by the City. Spent two days on site.

Held interviews for clarifications with support managers. Held select interviews with external stakeholders.

Continuing to have meetings with Directors, Managers and Support Managers on hypotheses (Six).

Conducted six work driver meetings with each service to help determine high priority hypotheses and aspects to investigate the > 75 initial ideas.

Developed a list of 53 opportunities that were then analyzed for potential impact, risks and implementation difficulty amongst other aspects, ready for discussion with the ELT.

Phase 3 Prioritize opportunities

Met with the Director of each service to present the refined opportunities and collect their reactions and inputs (Six).

Conducted individual two-hour validation workshops with the Executive Director, Director and Managers of each service to gain feedback and help establish final list of opportunities (Six).

Made final amendments to the 53 opportunities.

Five attendees from the ELT then participated in a four-hour prioritization workshop that established the top 14 opportunities for detailing in this report.

Followed up with the Task Force.

Following on from the workshop the ELT members provided their thoughts and insights on implementation in general and sequencing specifically.

Phase 4 Prepare final report

Worked with the ELT to refine this final report.

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The services selected for review

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Approach and relative weighting of criteria

We have an established approach that we apply to help reconcile points of view when selecting services for review. The selection process comprised six steps:

1. Agreed on the set of criteria to be used to evaluate candidate services for selection (see below).
2. Established relative weighting of each criterion based on paired comparison in discussion with ELT. Reviewed and adjusted weightings (not shown below).
3. Confirmed 3, 2, 1, 0 scoring for each criterion so that we could evaluate each criterion for each service clearly.
4. Prepared initial heat map for discussion with ELT based on our understanding of each service.
5. Reviewed the heat map and confirmed the six candidate services
6. Presented recommended services to Council and the Efficiency and Recovery Task Force committee.

The approach helped the ELT think through which were the high spending services, with considerable upside, that haven't been worked on recently, (but that have been earmarked for improvement), all while considering their digital change potential. If the services are risky, unsustainable, adrift from benchmarks, and they don't perform well, then these are also good indicators that the underlying processes and structures would benefit from improvement, which is why these type of selection criteria were included.

Criteria		Initial draft scoring			
		3	**2**	**1**	**0**
A	**Cost**: annual operating expenditure on goods and services	>$100m	>$20m	>$5m	<$5m
B	**Upside**: consideration for the potential to increase revenue and reduce expenses	>$5m	$3-4m	$1-2m	<$1m
C	**Improvement**: consideration for any updates/changes done in the last two years	None	Minor incremental	Incremental	Transformed
D	**Risk**: consideration for employees' safety, cyber security, legal aspects, reputation of the City and financial impact if the service were not included in the Review	>two features	2 features	Single feature	None discernable
E	**Targeted**: consideration of any strategic improvements that are planed within the next five years	Work planned & resourced	Work planned	Evaluated	Not targeted
F	**Sustainability**: consideration of the likely sustainability if the service were not included in the Review	Unsustainable	Stressed	Manageable pressure	Sustainable
G	**Performance**: consideration of the residents' satisfaction, the number of service requests, KPI-measured performance.	Many requests, KPIs adrift from targets	Some requests on/off target	Few requests, close to target	At target, few requests
H	**Benchmarks (BM)** – consideration of how broadly service benchmarks with peers	BM +>100%	BM+100%	BM +50%	At or close to BM
I	**Innovation** – consideration of how much innovation might be driven	Supports multi innovation	Two aspects	Single aspect	None like

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The services selected

The selected services are shown below organized in descending order of priority. Notes are shown as per our understanding at the time of selection should be read as so – updates are provided in the next section of this report.

Initial draft data gathering criteria	Cost/resource	Upside	Improvement	Risk	Targeted	Sustainability	Performance	Benchmarks	Innovation	Score	Rank	Notes
Procurement	3	3	1	2	1	2	2	2	2	39	1	The service has a $200.0M goods and services spend along with an annual operating expense of $1.9M. The Upside potential is 5-10% of 50% of goods and services spend. Improvements would focus on performance and innovation.
Fleet Lifecycle Management	2	2	2	2	1	2	1	3	3	34	2	The service has an annual operating expense of $30.7M – 6%. The risks surround the service's growth, utilization, reputational and environmental impact. Fleet is made up of four departments (Asset mgt, towing, training, maintenance)
Roadway Management	2	2	1	2	1	2	3	0	2	34	3	The service has an annual operating expense of $36.9M - 8% and includes three departments. It has below median spending, but still a high spend. Improvements would focus on innovation.
Parks & Open Space Management	1	1	2	2	2	2	3	0	2	31	4	The service has an annual operating expense of $16.0M – 2%. Some improvement work is already underway. Improvements would focus on outdoor space management – Digital, development standards and sustainability.
Facilities Lifecycle management	2	2	2	2	2	2	1	0	2	31	4	The service has an annual operating expense of $18.1M – 5%. Operations haven't changed for several years meaning potential for significant improvements.
Information Technology	1	1	1	3	2	2	2	1	3	30	6	The service has an annual operating expense of $10.6M – 2%. Sizeable service with areas of improvement already identified. Improvements would focus on sustainability concerns.
Solid Waste	2	2	1	3	1	0	2	1	1	29	7	The service has an annual operating expense of $34.0M - 7%. Improvement potential in the current state of high solid waste collection and low diversion. Targeted areas around keeping waste under City control, recycling outsourced and introducing organic collection.
Land Use Planning	1	0	2	3	1	2	2	0	3	27	8	The service has an annual operating expense of $6.2M – 1%. Improvements would focus on ASD and innovation/digital implementation.
Labour Relations, inc. Legal	0	0	2	2	1	2	2	3	1	23	9	The service has an annual operating expense of $1.6M - < 1%. Improvements would focus on defining service levels based on needs and for learnings to be implemented into bargaining.
Bylaw Enforcement	0	0	2	1	1	2	2	0	1	21	10	The service has an annual operating expense of $1.5m - <1%. Risks around the current reactive enforcement. Upside potential is minimal. Improvements would focus on innovations.

Denotes top six service

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The financial baseline

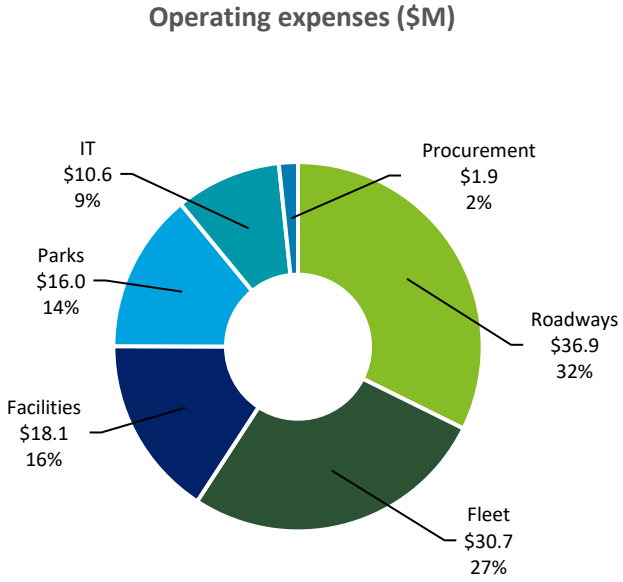
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Summary of baseline operating, and capital spend

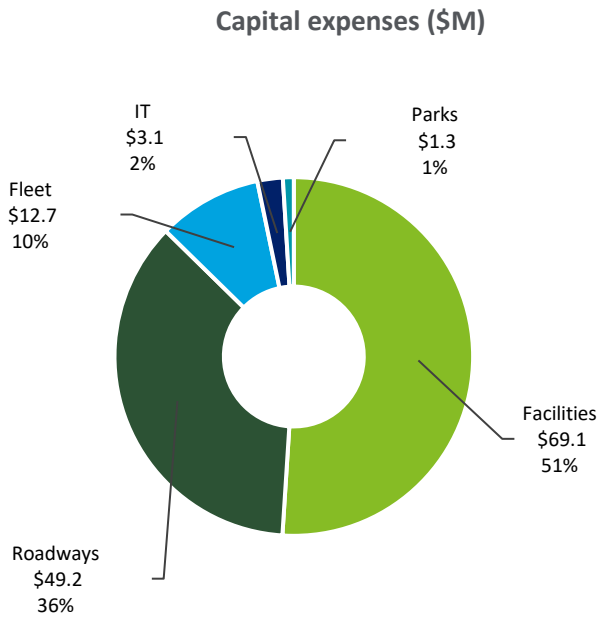
We used 2019 performance as the baseline year to help remove any transient impacts owing to the COVID-19 pandemic. While this is usually the best course of action for establishing a representative baseline, it does mean that actions that are already being implemented by ELT may already be factored into improvement plans and budgets. Where we are aware of work already underway, we do confirm this in our descriptions of the top opportunities.

Operating and capital expenditures can be summarised as follows for the baseline year:

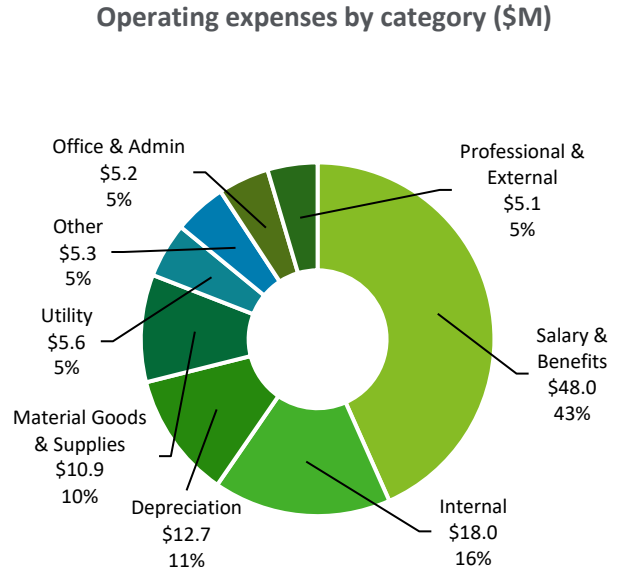
Total baseline operating spend reviewed was $114M vs. a total City operating spend of $664M



Total baseline capital spend reviewed was $135M



80% of the operating baseline is salary & benefits, internal, depreciation and material goods & supplies



Where the accounting records offered enough detailed information to help us understand any sub-service/sub-department operating and capital costs, we analysed the spending at this sub-level (see the service profiles at Appendix A). These costs were usually not completely aligned with the services offered, which is often the case, but they did provide insights for the Review. Note that: services such as IT and procurement have relatively low operating and capital costs but do have a much greater influence on spending and efficiency than might be initially thought. Procurement spends ~ $200M per annum on behalf of the City and IT drives projects and programs that ultimately impact City efficiency.

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The opportunities for improvement

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Initial validated opportunities by service

Below are the 53 validated opportunities that can generate efficiency improvements of approximately $26.9M annually. In order to ensure that time, effort and money are focused on the most attractive opportunities, we worked with the ELT to select the top 14 for implementation (the top 14 have annual efficiency improvement opportunities of approximately $17.2M).



Foundational

1. Establish a Transformation Office
2. Implementation of a modern Customer Relationship Management (CRM) system
3. Clarify service definitions



Parks

4. Manage Citizen requests
5. Outsource areas of park maintenance
6. Improve irrigation
7. Optimize maintenance schedules
8. Outsourcing pruning analysis
9. Reduce the size of pruning crew
10. Schedule and deploy Parks resources more effectively
11. GIS/GPS analysis
12. Define and apply key performance indicators (KPIs)
13. Seasonal employee organization structure
14. Maintenance of new parks
15. Location of subdepots and optimizing routing
16. Educate the public on service levels for different parks



Procurement

17. Review operating model
18. Improve procurement approaches
19. Revise procurement contract terms
20. Implement procurement technologies
21. Consolidate low value purchasing
22. Participate in market testing for insource outsource analysis



Fleet

23. Introduce a ratchet to limit asset replacements when budgeting
24. Apply management principles to maintenance
25. Improve the Civic maintenance operation
26. Outsource the work of the shops
27. Improve parts inventory control
28. Increase the scope of Telematics and analyze and act on the data collected
29. Leasing analysis
30. Reduce operator damage to City equipment
31. Relocate training



Facilities

32. Revise long-term contracts
33. Apply KPIs to Maintenance and Operations
34. Introduce power rates on demand
35. Monitor utilities at the City locations and act to reduce usage
36. Outsourcing maintenance
37. Compress space allocations



Roadways

38. Increase asphalt labour productivity
39. Tighten financial controls over 620 fund
40. Modify alley standards
41. Improve scheduling and control
42. Introduce long–term contract and vendor management
43. Change sweep schedules
44. Manage traffic power consumption
45. Change shift patterns
46. Introduce remote salt locations
47. Improve sanding routings
48. Change organizational structure



Information Technology

49. Further apply KPIs
50. Use service request data to drive more self service
51. Improve employee onboarding and offboarding in IT systems
52. Define the IT operating model
53. Shared service model

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Selecting the top opportunities for action

Deloitte and the City ELT met to discuss each of the 53 opportunities in a workshop. At the workshop, based on feedback from the ELT and Deloitte analysis, the following 14 opportunities were determined to be the top priorities for the City. The next slides detail out each of the 14 opportunities.

Service	Opportunity	Efficiency gain ($K)	Est. cost to imp. ($K)*	Rationale for prioritizing opportunities
Foundational	1. Establish a Transformation Office	n/a	1,550 – 2,150	• Transformation Office is strategic to achieving all these opportunities and others in the future • Enforce a citizen first culture – The CRM project is underway • Reinforce the culture of change, continuous improvement and Civic pride
	2. Implementation of a modern Customer Relationship Management (CRM) system	n/a	3,000 – 4,000	
	3. Clarify service definitions	n/a	250 – 1,000	
Parks	4. Schedule and deploy Parks resources more effectively	614	250 – 1,000	• Improving scheduling is expected to save $600K annually to the City. It will take an investment in a scheduling, time and attendance software that links to workorder fulfillment. • Application of KPIs will help drive performance measurement and is expected to generate $1.6M in efficiencies • Both opportunities can be piloted with Parks and rolled out to other departments for further efficiencies
	5. Define and apply key performance indicators (KPIs)	1,603	100 - 250	
Procurement	6. Improve procurement approaches	8,000	250 – 1,000	• Changes to Procurement approaches could benefit each service with corporate savings of $8M • Improving and modernizing contract terms and management is expected to generate an additional $2M in savings • Low value purchasing consolidation will save approximately $1.9M by consolidating purchases with negotiated vendor arrangements
	7. Revise procurement contract terms [1]	2,041	100 - 250	
	8. Consolidate low value purchasing	1,884	100 - 250	
Fleet	9. Reduce operator damage to City equipment	284	<100	• Operator damage is something within the control of the City and reducing it may generate approximately $284K in savings per annum • The City has used telematics but expanding its use and analyzing the data for efficiency improvements may generate ~ $1.2M of savings • There is a considerable opportunity to improve the civic maintenance operation, which may drive efficiency improvements of ~ $760-1,100K • Introducing a ratchet to limit asset replacements when budgeting may generate ~ $560K in efficiency for the City and it could also drive additional improvement in other services
	10. Increase the scope of Telematics, analyze and act on the data collected	1,218	250-1,000	
	11. Improve civic maintenance operations	760	100-250	
	12. Introduce a ratchet to limit asset replacements when budgeting	560	<100	
Facilities	13. Monitor utilities at City locations and act to reduce usage	210	250 – 1,000	• Fully implementing the monitoring of utilities consumption, by facility, is expected to drive improvements of ~ $200K
Roadways	14. Introduce long–term contract and vendor management [1]	1,004[1]	100 - 250	• Making changes to long-term paving contracts and vendor management could result in a savings of ~ $1M
	Total	**17,174**	**6,500– 12,600**	

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[1]Indicates double counting, excluded from total *all costs to implement are subject to business case development

Foundational: Establish a Transformation Office

Opportunity description

- Develop a Transformation Office to champion a culture of innovation, collaboration and communication to drive efficiency improvements and large-scale transformations throughout the City with the goal of making the City future ready. By working with the services, this office will fill the gap between implementation and adaptation of software systems, and its impact on people, processes, controls and the use of data.
- The office will be a champion of change management to ensure technology and process changes and their impact are adopted by the service. The Transformation Office needs to be involved in the direction of the technology and plans for the City as part of the IET and Technology Governance Committee as well as being involved in organizational structure decision making.
- The office would have a forward-looking mindset to deliver outcomes for residents and a commitment to transform and continually improve citizen-facing services and internal operations.
- Some work in this regard has already begun by the IT department as they have begun to transition the services by creating a second data warehouse to centralize all the data to ensure that it can be used at the corporate level.

Expected value provided

- Help foster a culture of innovation and adoption in which employees are empowered to make improvements where possible to increase efficiencies.
- Implementing a process improvement strategy that empowers employees to improve their work processes by removing bottlenecks, unnecessary processing steps and that bases decisions on data that results in a better value to residents.
- Ensure newly implemented technology tools are adopted and utilized to their fullest by properly training users to ensure the planned upon value is obtained.
- Clarifying the roles and responsibilities involved in the projects, to ensure smooth project transition from one department to the other.

Implementation timeline

Timing implication



Implementation complexity

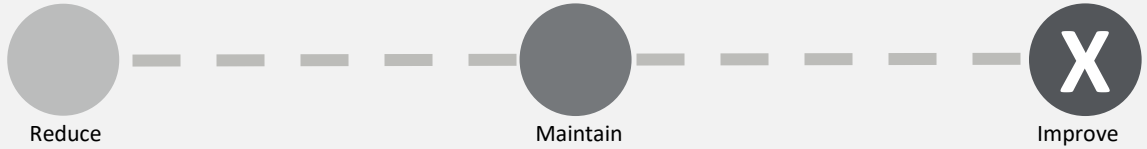


- Time to implement the transformation team and get office operational
- Training of staff
- Adoption of transformation mind set

Financial commitment

- Level of operating investment: High = $1,550 – $2,150K for three years of FTEs and support

Service level impact



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Foundational: Implementation of a modern Customer Relationship Management (CRM) system

Opportunity description

- The City will benefit from the implementation of a modern Customer Relationship Management (CRM) system. The system has the potential to greatly improve the service that is provided to citizens, resulting in significant efficiencies and greatly improve delivery of customer service.
- These systems can automate processes, reduce wait times and call times, and improve service levels. They can also significantly advance digital self-serve options, offering a consistent user experience to complete online transactions in an efficient, accessible, easy to use and cost-effective way.
- A modern CRM system can serve as a customer-listening engine, giving insights that can help to proactively make improvements, spot problems early, and identify gaps.
- Integrating CRM with work order management and resource scheduling, overall improvements in efficient service delivery should benefit the entire City.

Expected value provided

- Instilling a “citizen-first” culture that prides itself on innovation.
- Automate processes that reduce wait times and call times and improve service levels that include increasing first-call resolutions and reduce service requests.
- Advance digital self-serve options, offering a consistent user experience to complete online transactions in an efficient, accessible, easy to use and cost-effective way.
- Integrate with other systems across all services including systems that are considered ‘End of Life’ leading to cost savings that can be captured in other areas of the City.
- Provide management and staff and council with real-time status on specific citizen requests.
- Increase ability to report on data to understand citizen requests and align resources with evolving City needs.
- Overall, the opportunity can increase efficiencies and greatly improve delivery of customer service.

Implementation timeline

Timing implication



Implementation complexity

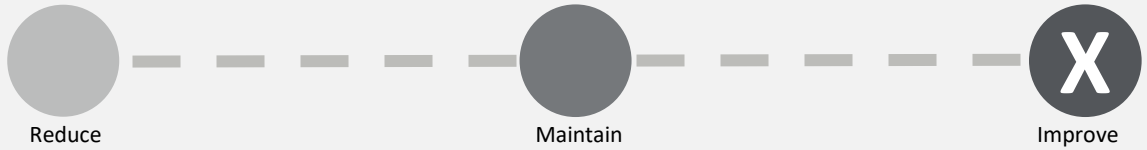


- Citywide system implementation
- Requires change management and technology adoption
- Roll out to residents

Financial commitment

- Level of capital investment: High = approximately $3,000K (software and implementation)
- Will require ongoing operating investment of approximately $180K a year

Service level impact



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Foundational: Clarify service definitions

Opportunity description

- The services provided by City departments have not been clearly defined in all the departments that were reviewed.
- Defining services supports transformational approaches that target strategic change by looking at the whole costs and processes involved in service delivery.
- A service is a provision of specific outputs that satisfy the needs of clients and contribute to the achievement of program goals.
- Once the service is defined, a full costing or service level budgeting approach can be followed through additional financial tracking (i.e. coding costs to department and to service) to truly reflect the cost of performing the service.
- It is important to note that a service can cross departments.

Expected value provided

- The City needs to implement a framework to define the services that the City provides, track the costs by service, and help to ensure that those that are delivering the service have a clear line of sight as to who benefits from the service.
- Decisions can then be made using this information on developing cost-effective strategies to deliver the service.
- Stakeholders will understand the City's rationale behind investing in specific assets and the need for certain services.
- Gaps between the current and expected service levels will be quicker to address.
- The employees are important stakeholders in these changes and would be engaged in establishing how they should better carry out their duties and ensuring that services are delivered economically, efficiently and effectively, since they are on the front line in carrying out the services. This results in a culture of civic pride in the work being completed in the City.

Implementation timeline

Timing implication



Implementation complexity

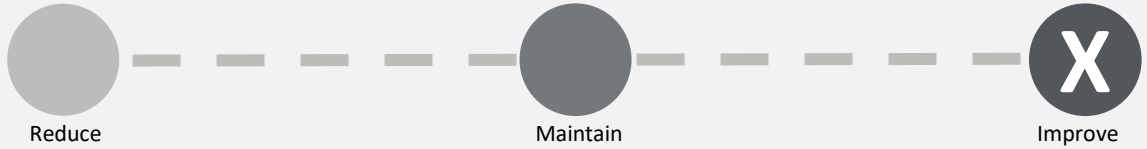


- Defining services and tracking the full cost of services requires changes to how the City budgets and accounts for costs.

Financial commitment

- Level of capital investment: Low/Medium = $250K- $1,000K

Service level impact



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Parks: Schedule and deploy Parks resources more effectively

Opportunity description

- Modernizing the deployment, scheduling, and tracking of assets (such as lawnmowers, water trucks, etc.) and their employee resources.
- Introduce a software tool that includes scheduling, work order time to complete, workflow, time and attendance with KPIs. Once implemented in Parks the same software tool could be rolled out to other departments.
- Change how to deploy resources and make assets/employees more efficient/productive.
- The City has implemented telematics on some equipment including water trucks, transit as well as other vehicles. They should also continue to implement telematics on equipment and use data obtained to monitor performance. And tie this into the scheduling software.

Expected value provided

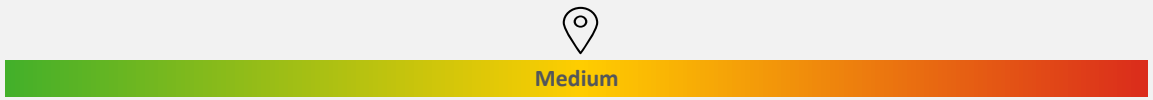
- Increase response time to service requests.
- Provide scheduling to meet planned service levels to deploy resources where they are most beneficial (i.e. cutting grass when it is a certain height as opposed to on a time schedule).
- Gaining an understanding of time to complete a workorder will improve efficiencies and resource deployment.
- Launch automatic scheduling based on various parameters or create new optimized routes to be used by staff.
- Track open work orders for follow up to ensure closure.
- Support a sense of continuous improvement by empowering employees to add issues into the system as they move around the City (pot-hole, garbage removal, tree issue, etc.), by linking this to the CRM.
- It is estimated that this scheduling improvement would result in an estimated 10% reduction in Parks Maintenance costs of approximately $600K.

Implementation timeline

Timing implication



Implementation complexity

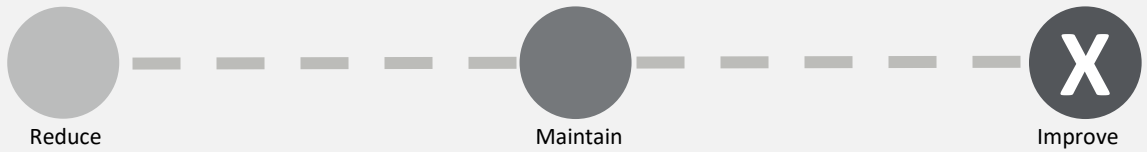


- Software implementation
- Changes to scheduling resources

Financial commitment

- Level of capital investment: Low/Medium = $250K- $1,000K
- It will also take time to implement the changes

Service level impact



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Parks: Define and apply key performance indicators (KPIs)

Opportunity description

- The City has not established KPIs for all the services it provides. Through the development and implementation of KPIs, starting with Parks, services can realize increased efficiencies.
- KPI data is required to be tracked and reported on which may mean changes to current data system.
- Once implemented for Parks – continue to roll-out KPIs for other service areas.
- The ClearPoint software is currently being used to track balanced corporate scorecard, this could be further leveraged.
- There is an opportunity for the Transformation Office to play a role in helping the businesses define their KPIs; however, it is ultimately the business' responsibility to act on these performance metrics.

Expected value provided

- Monitor performance against benchmarks, make management decisions and changes where needed for continuous improvement.
- Well-designed KPIs are controllable and can be tied to incentives for good performance by City employees.
- Historically the introduction of KPIs can result in a 10-30% cost reduction for services. For Parks, 10% is ~ $1.6M.

Implementation timeline

Timing implication



Implementation complexity

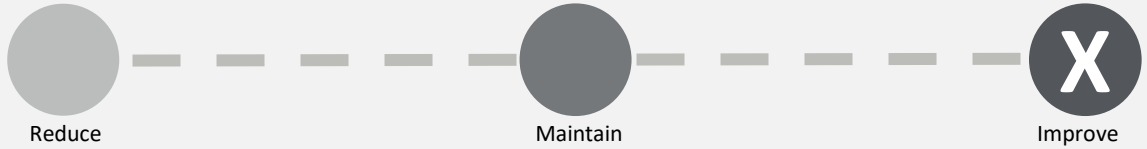


- Implementing a KPI dashboard requires:
  - tool to be used,
  - the data to be tracked
  - and needs to be designed with management

Financial commitment

- Level of capital investment: Low/Medium = $100K- $250K

Service level impact



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Procurement: Improve procurement approaches

Opportunity description

- Introduction of procurement approaches to commodity strategy, vendor, and contract management based on a Kraljic model. (Supply chain management approach - four classes of procurement based on complexity: leverage, strategic, non-critical and bottleneck items).
- Revise contracts to include performance clauses and discounts and vendor management based on balance of power in relationship/availability of vendors (negotiating RFPs has started in the City).
- Also, understand the commodities that are purchased by the City and centralize the sourcing and purchasing of them for economies and inventory management (both within the City, and with other levels of government or partners) (Some work has been started by Procurement in this regard, i.e. tires).
- Increase purchasing partnerships with the Province and other Municipal governments as this will increase the scale of savings seen by buying on volume. Work has been started by Procurement in being part of some national purchasing contracts, i.e. Canoe, Kinetic GPO.
- The City is working on a policy, to include environmental, social and governance (ESG) objectives.

Expected value provided

- By relating the type of complexity to the procurement, savings can be made where it makes most sense. Increasing businesses satisfaction with the process.
- Purchasing power results in less expensive contracts for the City for the same goods currently purchased.
- A typical opportunity is approximately 10% of half of this spending, this equates to up to approximately $8M allowing for reductions already made by the City.

Implementation timeline

Timing implication



Implementation complexity

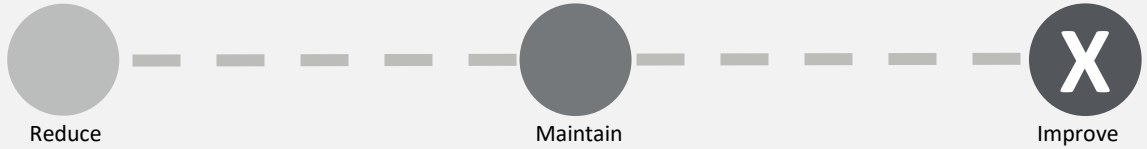


- Requires increase in communications with other municipalities and government organizations in Saskatchewan
- Contract revisions may be difficult to do based on balance of power in relationship/availability of vendors

Financial commitment

- Level of capital investment: Low/Medium = $250K - $1,000K

Service level impact



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Procurement: Revise procurement contract terms

Opportunity description

- The Procurement department develops contracts and provides guidance on the clauses. It is the responsibility of the business that signs the contracts to not let the amount billed go over the contract value, to make sure the service levels are met, and to review the vendor's performance.
- There are opportunities to revise and modernize the terms and conditions in contracts in order to make them more financially beneficial for the City and to support smoother contract negotiations. Negotiated procurements have started at the City and should be expended for further savings.
- Include performance clauses with penalties to ensure service standards are met by vendors as well as clauses that hold vendors to contracted values for scope of services agreed upon.
- Contracts can include early payment discounts or if there is a change in scope, a discount structure for change orders/over contract spending.
- Software that supports better vendor contract management will enhance this opportunity (central contract data base, contract to purchase order (PO) reporting, vendor performance management etc.).

Expected value provided

- Increases ease in which information is captured and shared with a centralized view of the contracts entered in the City.(i.e. contract doesn't sit in someone's desk drawer) and a central record of vendor performance.
- Holding both the business and the vendor accountable to the contract will save money for the City and ensure service levels are kept for citizens. It will ensure that poor performing vendors are not reengaged in the future.
- Modern terms and conditions can enhance and reduce the time it takes in contract negotiations with vendors who want to do business with the City.
- When looking at the largest contracts, it was noted that approximately 39 of 66 contracts had both the total contract and purchase order value tracked. The total of these 39 contracts PO's was approximately 17% greater than total contract values. Better monitoring and tracking of all contract values versus POs could result in savings of approximately $2M by applying this and other changes.

Implementation timeline

Timing implication



Implementation complexity

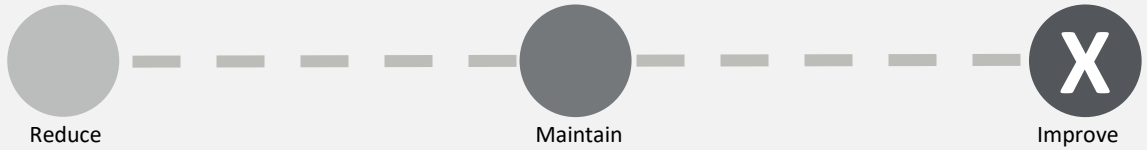


- Negotiate/implement early payment discounts or rebates in the contracts

Financial commitment

- Level of capital investment: Low/Medium = $100K - $250K

Service level impact



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Procurement: Consolidate low value purchasing

Opportunity description

- Perform data analysis on P-Card use and purchases on a regular basis to ensure proper spending behaviors as well as understanding if bulk purchasing, vendor of record, or open purchase orders, could be negotiated.
- The City has already started analyzing P-Card transactions.
- Revisit the processes in place for procurements under $75K to gain efficiencies by using vendor of record, open purchase orders, bulk buying, and so on, the City can save money overall.
- Data analysis of purchases of goods and services under for these smaller procurements can also benefit the City by consolidating.

Expected value provided

- The City is a large purchaser and employer, as such controls and negotiations with vendors can ensure the City gets the best value for the goods and services they procure.
- If recommendations are considered, approximately 10% savings is possible for negotiated or amalgamated procurements or ~$1.9M in further savings.

Implementation timeline

Timing implication



Implementation complexity

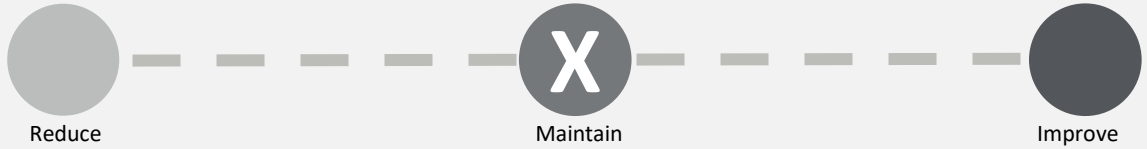


- Requires an effort to analyze the data and accumulate the information

Financial commitment

- Level of capital investment: Low/Medium = $100K- $250K

Service level impact



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Fleet: Reduce operator damage to city equipment

Opportunity description

- With a concerted effort to reduce the operator (i.e. avoidable) damage by 50% overall, the City could reduce its annual expense on avoidable damage by ~ $284K. Holding operators accountable and implementing controls such as incentives or demerit points would help to reduce operator damage further (possibly up to 80% in the noted high concern areas).
- Processes would need to be standardized. Senior support would be required for thorough investigations of the incidents and the Incident Review Committee may require a modified role. Line managers would need to support.
- The introduction of telematics would also support with additional data on each of the units at the time of any accident.
- The 2019 and 2020 historical trends show operator damage is on the rise from $568K in 2019 to $749K in 2020. The Landfill area has relatively few vehicles but suffered $60K in 2019 and $88K in 2020. With Roadways experiencing the highest total of damage at $256K in 2019 and $361K in 2020.

Expected value provided

- A decrease in operator damage may mitigate unforeseen delays from damaged/out of service fleet.
- Level of potential savings: $284K, based on the $568K in damage incurred in 2019 focusing on Landfill ($60K) and Roadways ($256K) which are the two largest areas of concern.

Implementation timeline

Timing implication



Implementation complexity

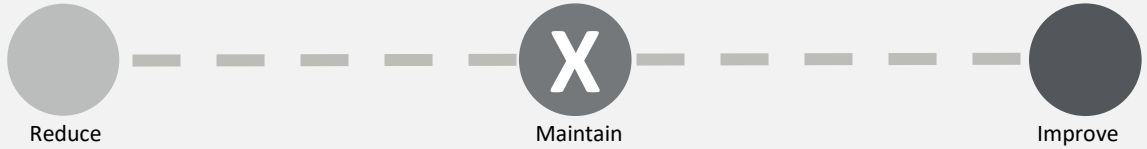


- Implementing controls such as incentives or demerit points would require broad agreement throughout the City

Financial commitment

- Level of capital investment: Low/Medium <$100K given that the changes required are generally administrative in nature.

Service level impact



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Fleet: Increase the scope of Telematics, analyze and act on the data collected

Opportunity description

- Fully implementing telematics and analyzing and acting on the data may drive down the number of units and improve efficiency.
- Telematics is currently installed on ~ 70 units, but the data generated are not routinely analyzed.
- Analyzing the fuel costs of each vehicle as recorded and assuming that the maintenance costs are shared equally by each of the assets that consumed fuel during 2019 (970 assets with different rates for Civic and transit) with a net potential annual savings of $1.2M.
- Light truck, Medium truck, Heavy truck and Transit have the largest contributions with $982K or 82% in potentials savings with the remaining savings coming from Heavy equipment, Light industrial, Paratransit, Cars, and Transit support.

Expected value provided

- Full control would need to be established over the maintenance shops to drive out excessive maintenance costs, whereas the fuel cost would be realizable without such controls. The potential fuel savings are ~ $440K.
- Improving the efficiency in the maintenance shops would reduce the savings achievable through telematics since the baseline maintenance costs would naturally reduce.
- Linking the telematics system with M5 would also likely improve maintenance efficiency and scheduling.
- Level of potential savings: $1.2M - does not assume any improvements in maintenance scheduling.

Implementation timeline

Timing implication



Implementation complexity

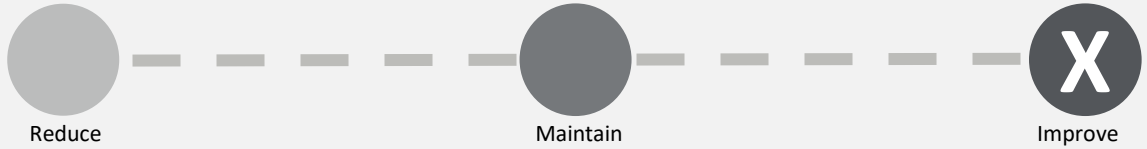


- Medium difficulty level as it requires an effort to analyze the data and accumulate the information.

Financial commitment

- Level of capital investment: Low/Medium = $ 250K – $1,000K

Service level impact



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Fleet: Improve the civic maintenance operation

Opportunity description

- Applying management principles to the Civic maintenance shops may drive productivity.
- Based on site visit observations it was noted there were no credible performance standards, controls or KPIs in place to measure and drive productivity. We estimate that the shops should be able to improve productivity by ~ 20-30%. A new manager has been brought in to drive productivity following his success in the improving of the Transit shop and he has plans in place to begin making changes.
- Oil changes on the Volvo fleet are too frequent, oil changes are costing ~ $250 to complete vs. market rates closer to $75 and tire changes are sometimes almost two hours in duration. Each of these observations also suggest that productivity could be improved considerably.
- Proceeding direct to outsourcing certain tasks may provide a faster route to realizing savings than making the improvements to the shops.

Expected value provided

- The City may need to apply additional resources to not only develop and apply the productivity standards but also provide additional close supervision of productivity and staff until a 'new normal' is established and embedded - a project-based approach.
- The Civic fleet has a wide variety of assets compared with its Transit counterpart. Investments may need to be made in Time Tracking tools / software to unlock the productivity gains. A revised shift pattern may help the shop provide maintenance when the services do not need to use the assets.
- Level of potential savings: >$1M since a 20-30% productivity improvement on a staff of 38 is valued at ~ $760-1,100K and should be obtainable.

Implementation timeline

Timing implication



Implementation complexity

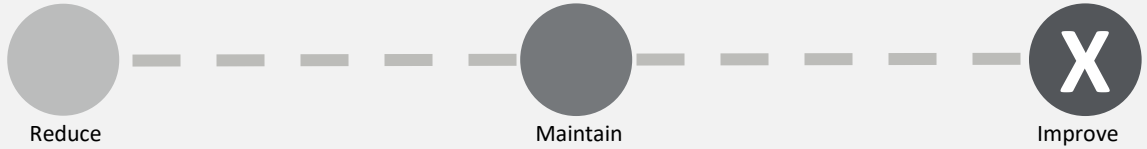


- Exerting Management Rights and implementing strict performance measures and productivity standards may lead to labor relations issues. Change Management and strong leadership will be required. Operational staff that may choose not to comply may require a strong managerial focus.

Financial commitment

- Level of capital investment: Low/Medium = <$100K

Service level impact



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Fleet: Introduce a ratchet to limit asset replacements when budgeting

Opportunity description

- Introducing a mechanism to drive down the number of assets may result in improved (labor) productivity in the services that use fleet assets.
- Options could include X for Y replacement (X<Y), sharing trucks within and across services or running an app-based booking system.
- Such a system would require continual monitoring of fleet usage with a challenge function and detailed examination of requests for additional and replacement fleet assets including introducing hourly usage monitoring on the light vehicle (LV) assets. The use of telematics, which is discussed in this report would also be helpful.

Expected value provided

- There maybe an opportunity to reduce the number of light duty trucks on the fleet now and in the future. Removing 40% (33) of the 82 trucks (with an estimated purchase price of $45,000 each) might yield a capital cost avoidance of $1.5m (or an operating saving of > $560K based on their average annual maintenance costs of ~ $11K each and a notional lease/purchase cost of $6K pa).
- By increasing the sharing of vehicles, or using the remaining vehicles more (through pooling, sharing or other means to increase the utilization), the operating costs may increase incrementally.
- The benefits shown are for light duty truck costs only. Other classes of assets and other productivity gains from other services have not been included, there may be upside of above half a million dollars. There would however be a requirement to introduce active management of the fleet, which is not currently in place.
- A critical evaluation of the use and assignment of low utilization vehicles should further refine this analysis. Seasonally used vehicles do provide more of a challenge than regularly used low mileage vehicles. There may be an option here to consider short-term leases for these vehicles, provided that they are required to do more than transport employees and small tools to site. If this were the case, alternative arrangements might be made such as driving own transport to the work site.
- Level of potential savings: ~$560K.

Implementation timeline

Timing implication



Implementation complexity

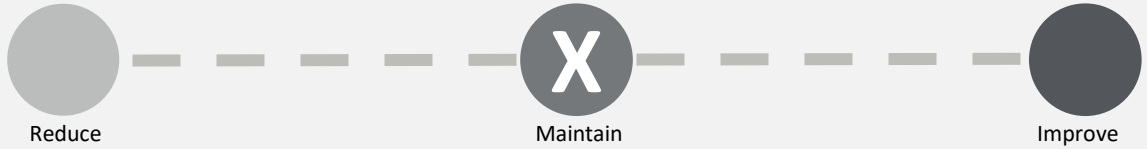


- The difficulty will be in analyzing, planning and scheduling work crew deployments in ways where surplus vehicles are not required.
- The City currently does not track job site utilization of low mileage vehicles.

Financial commitment

- Level of capital investment: Low/Medium = <$100K

Service level impact



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Facilities: Monitor utilities use at City locations and act to reduce usage

Opportunity description

- Monitoring the use of electrical power, gas and water and taking action to reduce it and improve routine maintenance on the associated systems will lead to a reduction in utility costs.
- The monitoring, including adding sensors to HVAC systems and fans, and on temperature, managing system balance and comfort and introducing auto controls often lead to utility costs savings of 10%-15% if action is taken to manage consumption and maintain the assets in good condition through the preventive maintenance program.
- Swapping standard lighting for LEDs often drives 3%-6% of the 10%-15% of reduced power. A reduction of $380-$570K may be possible unless the LED lighting swop out has already been completed, in which case the range might be $200-$400K assuming that all facilities were monitored, however monitoring all facilities would probably not be an economical option.
- Under the assumption that 90% of the buildings have already been retrofitted with LED/T8 lighting and that 80% of the utility consumption can now be monitored (and is driven by the top 10 assets) and that the work will be put in place to reduce the usage of water, power and gas, the efficiency improvement might be up to $210-$280K. The City has begun to monitor the performance of 50 assets and intends to monitor all future assets as they come online. And so, this activity is underway.

Expected value provided

- Reduce greenhouse gas emissions.
- Level of potential savings: Low/Medium = >$200K.

Implementation timeline

Timing implication



Implementation complexity

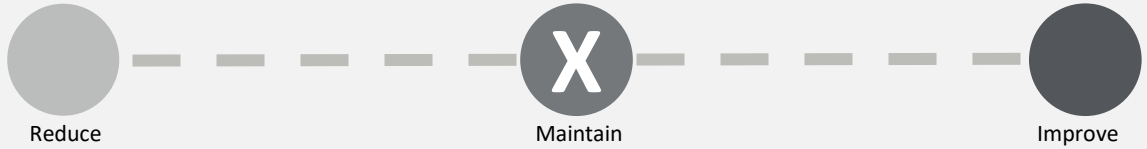


- The data will need to be analyzed and corrective actions taken to reduce the spend.

Financial commitment

- Level of capital investment: Low/Medium = $250K - $1,000K

Service level impact



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Roadways: Introduce long–term contract and vendor management

Opportunity description

- The City could increase its efficiencies by exploring longer term contracts and vendor management with construction suppliers for greater cost certainty and potentially lower unit prices.
- There are some instances in the City where multi year contracts are used.
- Establish longer term vendor relationships would include giving the suppliers more certainty around work and value, for which in return - the city would receive better rates, early payment rates and discounts when the purchase order value goes above the contract value.

Expected value provided

- Applying a 2% discount to those contracts where PO value is greater than the contract value (and applying it only on the excess) would be worth ~ $52K.
- Applying a 2% discount for a 10-day early payment offers up to $952K in the Roadways contracts reviewed. There would be a need for working capital to support any early payment discount, the City generally contracts on 30 days.
- There appeared to be no early payment discounts or rebates in the contracts.
- Level of potential savings: ~ $1M.
- We understand that many of the processes within Procurement are manual including the accounts payable process. If the City is to be able to settle invoices within ten days of receipt, it is likely that the process will need to be improved and at least partially automated, if they are able to deliver within the ten-day window. This will not be a very short-term project if the process to deliver reliably.

Implementation timeline

Timing implication



Implementation complexity

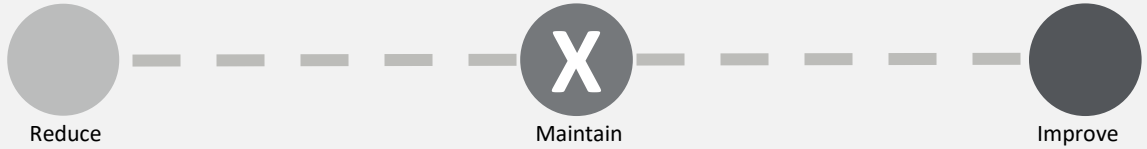


- The suppliers need to behave as if they are in a competitive market. Also, the balance of power in the buyer/vendor relationship needs to be considered and managed carefully during implementation. Accounts payable processes need to be able to pay within 10 days and there must be adequate working capital provision.

Financial commitment

- Level of capital investment: Low/Medium = $100K – $250K

Service level impact



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The implementation roadmap for the top 14 opportunities

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Implementation roadmap

- The table below summarizes the ~$17.2M annual efficiency improvement available from the top 14 opportunities.
- The selection, prioritization and sequencing of the top 14 considered their efficiency improvement potential, importance, urgency, ease of implementation and other corporate initiatives planned or in flight.
- Discernable one-time investments are between ~ $6.5M - $12.6M (and are subject to the completion of business cases).
- While Information Technology has no opportunities in this set, it will play a significant supporting role in executing opportunities 1, 2, 4, 5, 6, 7, 10 and 13.
- The foundational recommendations are opportunities that represent key building blocks for achieving additional efficiencies in the future.
- The City will need to confirm whether they have the required resources and expertise to complete the opportunities in the timeline shown in the roadmap which lays out the timing for the execution of the top 14 opportunities.
- Each opportunity requires a detailed implementation project plan (with 30-, 60-, and 90-day sprints along with milestones) and the allocation of resources.
- The Transformation Office should play a pivotal role in establishing the project plans and reporting on progress.
- Timelines in the roadmap on the following page reflect the time to stand up the opportunity. The timing implication shown in the opportunities for improvement reflect the timing required to recognize the full impact of these recommendations.

Service	Opportunity	Efficiency gain ($K)	Est. cost to imp. ($K)*
Foundational	1. Establish a Transformation Office	n/a	1,550 – 2,150
	2. Implementation of a modern Customer Relationship Management (CRM) system	n/a	3,000 – 4,000
	3. Clarify service definitions	n/a	250 – 1,000
Parks	4. Schedule and deploy Parks resources more effectively	614	250 – 1,000
	5. Define and apply key performance indicators (KPIs)	1,603	100 - 250
Procurement	6. Improve procurement approaches	8,000	250 - 1,000
	7. Revise procurement contract terms[1]	2,041	100 – 250
	8. Consolidate low value purchasing	1,884	100 - 250
Fleet	9. Reduce operator damage to City equipment	284	<100
	10. Increase the scope of Telematics, analyze and act on data collected	1,218	250 – 1,000
	11. Improve civic maintenance operations	760	100 – 250
	12. Introduce a ratchet to limit asset replacements when budgeting	560	<100
Facilities	13. Monitor utilities at City locations and act to reduce usage	210	250 – 1,000
Roadways	14. Introduce long–term contract and vendor management [1]	1,004[1]	100 - 250
	Total	**17,174**	**6,500 – 12,600**

[1]Indicates double counting with another opportunity *Subject to business case development

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Implementation roadmap

Service	Opportunity	2022				2023				2024				Immediate next steps and notes
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Foundational	1. Establish a Transformation Office[1]													Fully operational by end of Q1. 3-year tenure as Centre of Excellence for transformation, supports planning execution and reports on progress.
	2. Implementation of a modern Customer Relationship Management (CRM) system[1]													Currently gathering business requirements. For systems selection aim is to complete in 18 months by bringing forward capital allocations from 2024/2025 to 2022.
	3. Clarify service definitions													Start with one department and then roll out to the next, etc. Requires finance support for costing of services- Focus (1) supporting top 14 (2) big spending/citizen-focused services (3) then others. Complete in stages – (1) & (2) in 6 months.
Parks	4. Schedule and deploy Parks resources more effectively[1]													Build plan, business case and technology map for scheduling software. Implement first in Parks then roll out to all field work (Roadways for example).
	5. Define and apply key performance indicators (KPIs)[1]													Integrates with three above. Once nearing completion also apply to Roadways and Fleet and then other services as defined in three above.
Procurement	6. Improve procurement approaches[1]													Immediately begin with Kraljic-based commodity strategy and drive supplier performance to augment current team.
	7. Revise procurement contract terms[1]													Immediately engage legal, add volume discounts, early payments and performance clauses. Activity may run past date if accounts payable automation included.
	8. Consolidate low value purchasing													Immediately begin with developing a detailed plan, P-Card and low value vendor review.
Fleet	9. Reduce operator damage to City equipment[1]													Modify approach/processes with immediate implementation of actions. Likely supported by Telematics implementation but take corrective actions first.
	10. Increase the scope of Telematics, analyze and act on data collected[1]													Begin set-up and analysis of data from ~ 75 assets with telematics. Add the next classes into the pilot – trucks (light, medium & heavy) and transit fleet.
	11. Improve civic maintenance operations													Apply and extend what has been achieved in transit shop.
	12. Introduce a ratchet to limit asset replacements when budgeting													Work to be completed in 6 months with actions/process changes held for inclusion in next year's budgeting to give each service time to consider its response and associated actions.
Facilities	13. Monitor utilities at City locations and act to reduce usage[1]													Underway, focused on greatest consumption of utilities. Will require action to reduce usage/improve operation based on the analysis completed.
Roadways[2]	14. Introduce long-term contract and vendor management													Subset of opportunity 12.

[1] Technology implementation supported by IT [2] Roadways scheduling opportunities to be implemented following pathfinder work in Parks

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Appendix A

Service profiles

Service profile - Parks and Open Space: Overview

The department tracks its spending by the following areas: Administration, District 1, District 2, District 3, District 4, Forestry, Pest, Horticulture and Capital Expenditures. An overview of the area follows:

Parks – provides support for each District, Forestry, Pest and Horticulture, Parks they serve the Regina Garden Associates Greenhouse, Playground maintenance, Athletic fields, Irrigation, Bowling greens, Outdoor rinks, Speed oval.

- The majority of Parks spending is derived from five services District 1, District 2, District 3, District 4, and Forestry. The districts represent geographic locations along with a specialty service within the City with a core group of FTEs.
- **District 1-** responsible for maintaining all outdoor rinks. There are currently 110 Parks with an average distance between parks of 2,331.1m within the district. The operating budget is $1.6M vs actual cost of $1.8M for 2019. There are currently 23.07 FTEs.
- **District 2** - responsible for maintaining the real-estate areas owned by the City. all athletic programs (fields). There are currently 108 Parks with an average distance between parks of 2,709.5m within the district. The operating budget is $1.9M vs actual cost of $2.1M for 2019. There are currently 24.41 FTEs.
- **District 3** - responsible for maintaining playgrounds. There are currently 98 Parks with an average distance between parks of 2,837.4m within the district. The operating budget is $1.9M vs actual cost of $1.9M for 2019. There are currently 23.42 FTEs.
- **District 4** - responsible for maintaining all athletic programs (fields). There are currently 74 Parks with an average distance of 2,248.2m within the district. The operating budget is $1.5M vs actual cost of $1.7M for 2019. There are currently 20.80 FTEs.
- **Forestry** – responsible for taking care of trees located throughout the City which includes planting and pruning. The operating budget of $2.3M vs actual cost $2.3M for 2019. There are currently 20.77 FTEs.
- **Capital Expenditures** – include Irrigation system improvements, Parks & streetscape restoration, Restoration and Streetscape development.
- In 2019, the total capital expenditure budget was $1.7M vs. actual expenditure of $1.3M.
- The top 80% of capital expenditures in 2019 were for: Irrigation system improvements for $0.4M (31%), Tree replacement along arterials, buffers and parks for $0.2M (18%), Parks maintenance – fleet equipment requirements for $0.2M (14%), Open space restoration for $0.2M (13%) and Pathway asphalt recapping for $0.1M (9%).

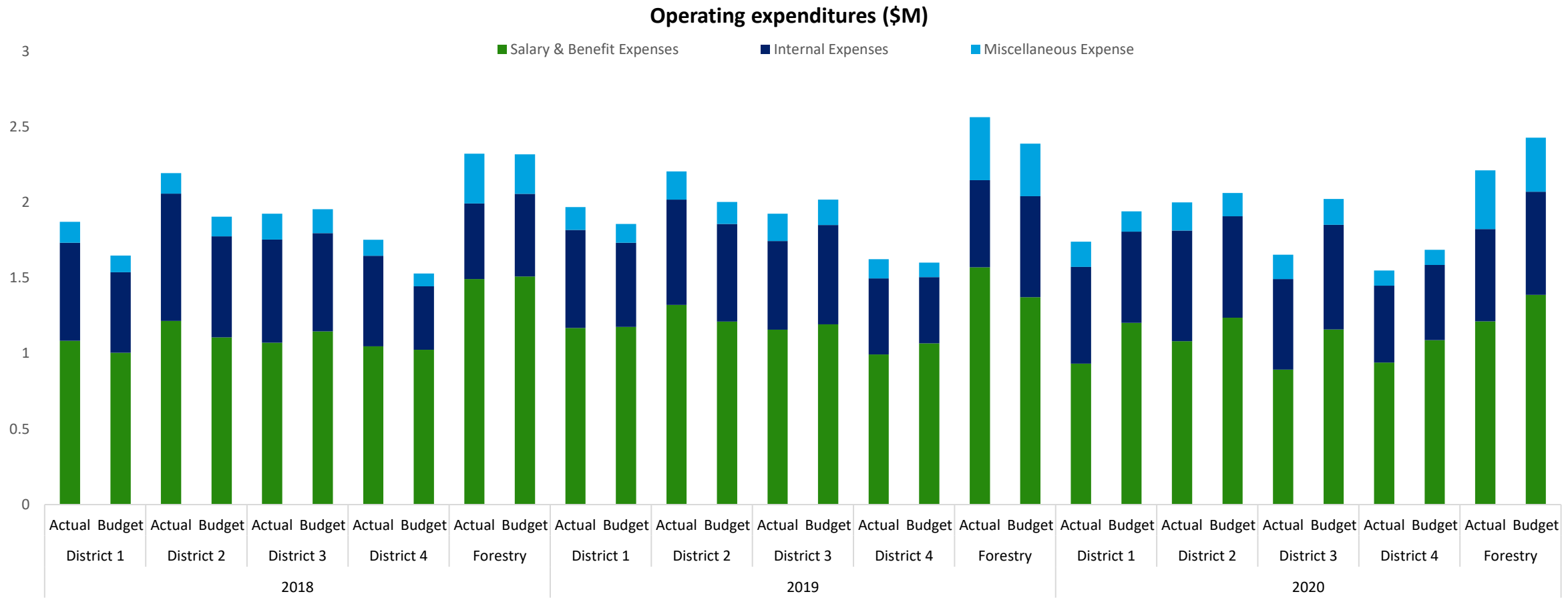
Service Requests (2019)

There was a total of 6,849 service requests which included 2,066 service requests handled by parks maintenance (30.2%) and 4,783 service requests handled by open space (69.8%).

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Service profile - Parks and Open Space: Operating budget and actual spending by category

The chart below provides a visualization of actual operating expenditures from 2018 – 2020 for the following branches, District 1, District 2, District 3, District 4 and Forestry



Note – operating costs derived from fund 110.
In 2020, no new staff was hired due to COVID hiring restrictions which led to the budget being underspent.

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Service profile - Parks and Open Space: Summary of work drivers

Financial area	Type	Service level drivers/definitions and commentary		Delivery	2019 Operating budget ($M)	2019 Operating actual ($M)	Operating variance (%)	2019 FTE	Stakeholders
Forestry	External	Council directive to plant trees/resident. Number of trees living/mortality. Tree type. Citizen requests.	Programs include planting and pruning trees	City/ contractors	2.4	2.6	**8.3**	20.8	Citizens, employees, developers and vendors
District 1	External	Park type. Maintenance requirements of the parks including usage. Citizen requests.	Responsible for maintaining area and all outdoor rinks	City	1.9	2.0	**5.3**	23.1	Citizens, employees, developers and vendors
District 2	External	Park type. Maintenance requirements of the parks including usage. Citizen requests.	Responsible for maintaining area and all real-estate areas owned by the City	City	2.0	2.2	**10.0**	24.4	Citizens, employees, developers and vendors
District 3	External	Park type. Maintenance requirements of the parks including usage. Citizen requests.	Responsible for maintaining area and all playgrounds	City	2.0	1.9	**5.0**	23.4	Citizens, employees, developers and vendors
District 4	External	Park type. Maintenance requirements of the parks including usage. Citizen requests.	Responsible for maintaining area and all athletic programs	City	1.6	1.6	-	20.8	Citizens, employees, developers and vendors
Total					**9.9**	**10.3**	**4.0**	**112.5**	

Note – expenses stated are only for the areas mentioned above. The total operating expenditure for all areas within Parks was $16M in 2019.

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Service profile – Parks and Open Space - Forestry

It is not possible to confirm whether this financial area is operating at standard given the lack of KPIs in place to measure compliance and performance.

Information

KPIs	• POS Branch Total Service Requests (SR) received where # of Customers Contacted Within 48 Hours (success rate of 88%) • Traditional lyft & chipper truck tasks completed with a target of 10 trees/day (2019 results - 9.14 trees/day). • Combo truck tasks completed with a target of 7 trees/day.
Technology	• Crystal Reports • Geotab • Arc geographic information system (ArcGIS) • Sentinel GIS • Oracle WAM • I-Tree ECO

MBNC Benchmarking

	Regina	Calgary	Windsor	Winnipeg
Hectares of Maintained Parkland in Municipality per 100,000 Population	491.0	297.8	243.0	250.0
Operating Cost of Parks per Capita	57.1	77.4	81.6	42.6
Geographic Area (Sq.Km)	182.4	848.2	146.9	475.5

- The current technology used within this branch includes Crystal Reports, Geotab, ArcGIS – Used for inventory tracking and asset management, Sentinel – Used to track all product application for mosquito controls, iTree ECO – Used for advanced tree analytics.
- An analysis has been done which estimates the costs of tree pruning at $118/tree by a two-truck system which drops to $77/tree with one truck (two FTEs) and pulling a chipper.
- An analysis has been done that shows for a 21-day work cycle, equipment is being used for 14 days and is idle for the remaining seven days.
- Total number of all pruning jobs for 2019 was 9,713.

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Service profile – Parks and Open Space: District 1, 2, 3, and 4

It is not possible to confirm whether this financial area is operating at standard given the lack of KPIs in place to measure compliance and performance.

Information

KPIs tracked	• POS Branch Total Service Requests (SR) received where # of Customers Contacted Within 48 Hours (success rate of 86.1%) • POS Branch Total SR's completed (success rate of 93%)
Technology	• ICC Pro • Infor, Minute Traq • Arc geographic information system (ArcGIS) • Crystal Reports • Oracle WAM • Orbidder

MBNC Benchmarking

	Regina	Calgary	Windsor	Winnipeg
Hectares of Maintained Parkland in Municipality per 100,000 Population	491.0	297.8	243.0	250.0
Operating Cost of Parks per Capita	57.1	77.4	81.6	42.6
Geographic Area (Sq.Km)	182.4	848.2	146.9	475.5

- Technologies used within the POS include ICC PRO – Used for central scheduling of all irrigation systems, ArcGIS – Used for inventory tracking and asset management. Other data tracking and management software used include Orbidder, WAM, Infor and Minute Traq.
- In reference to the performance and benchmarking table, the City of Regina when compared to other cities in peer group has more hectares on average of maintained park land per population of 100,000. The City also has one of the lowest average operating cost per capita when compared to the other cities.

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Service profile – Parks and Open Space: Services offered

Service	Description
Parks Maintenance (Districts)	• Responsible for daily/weekly and seasonal maintenance activities to keep the areas clean, accessible and maintain a quality asset.
Athletic Fields	• Responsible for maintaining programmed play surfaces and ensuring the area is playable to enhance the users' experience.
Playground Maintenance	• Responsible for maintenance activities to keep the structures safe and free of hazards.
Irrigation services	• Responsible for watering of the trees, plants, shrubs and grass throughout the Parks.
Outdoor ice	• Responsible for maintaining programmed play surfaces and ensuring the area is playable to enhance the users' experience.
Forestry	• Responsible for regular pruning, tree planting, removal and stumping services to ensure the urban forest, streets and open space remain attractive, safe and accessible.
Pest Control	• Responsible for insect, vertebrate and urban forest disease surveillance and control services within the City to ensure the urban forest and residents remain healthy and safe.
Horticulture	• Responsible for flowers and flower bed maintenance activities to keep the City attractive.
Regina Garden Associates Greenhouse	• Responsible in helping the Regina Garden Associates maintain the building.
Administration	• Responsible for oversight of employees, manage financial resources, determine priorities and focus to ensure consistent quality customer service is provided to residents.

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Service profile – Procurement: Overview

The department tracks its spending by the following major financial areas: Procurement, Central Stores, Asset Disposal and the Towing Compound. An overview of the area follows:

Procurement entails the entire Supply Chain Management for the City including, Warehouse, Salvage, Fuel, and Inventory Controls. They work alongside other municipalities that include, Prince Albert, Saskatoon and Yorkton with the Regina Police Service using Regina's procurement policy as their own. They've partnered with the Saskatchewan Municipality Association (SMA) and two national organizations – Kinetic GPO and Canoe.

- **Procurement** – centralized purchasing for City goods, equipment and services, etc. In 2019, this branch had operating expenditures of $1.4M actual vs. $1.4M budgeted with 15 FTEs. Total purchases awarded in 2019 which include operating and capital were $299.4M.
- **Central Stores** – repository for bulk materials distributed to City departments for consumption. This branch was transferred to Procurement in 2019 and has a budget of $133K for 2020 with 3.9 FTEs.
- **Asset Disposal** –focused on the disposal of assets that are at the end of their lifecycle. The team works with the departments to determine the best medium of disposal (auction, recycling, donation or waste center). The City's policy had been recently updated to allow Procurement to donate the assets to schools, non-profits, etc. when deemed possible. In 2019, the actual operating expenditures was $0.1M and the budget was $0.1M with 0.65 FTEs.
- **Towing Compound** – provides an area that is used by the City's Bylaw Enforcement and police service for towed vehicles (impounded, abandoned, etc.). In 2019, the Towing Compound had actual operating expenditures of $0.4M and $0.4M budgeted with one FTE.
- **Capital Expenditures -** no capital expenditures were recorded.

Service requests

- All 135 customer service requests in 2019 were resolved with an average time of 2.9 days
- 65% of calls were completed within one day

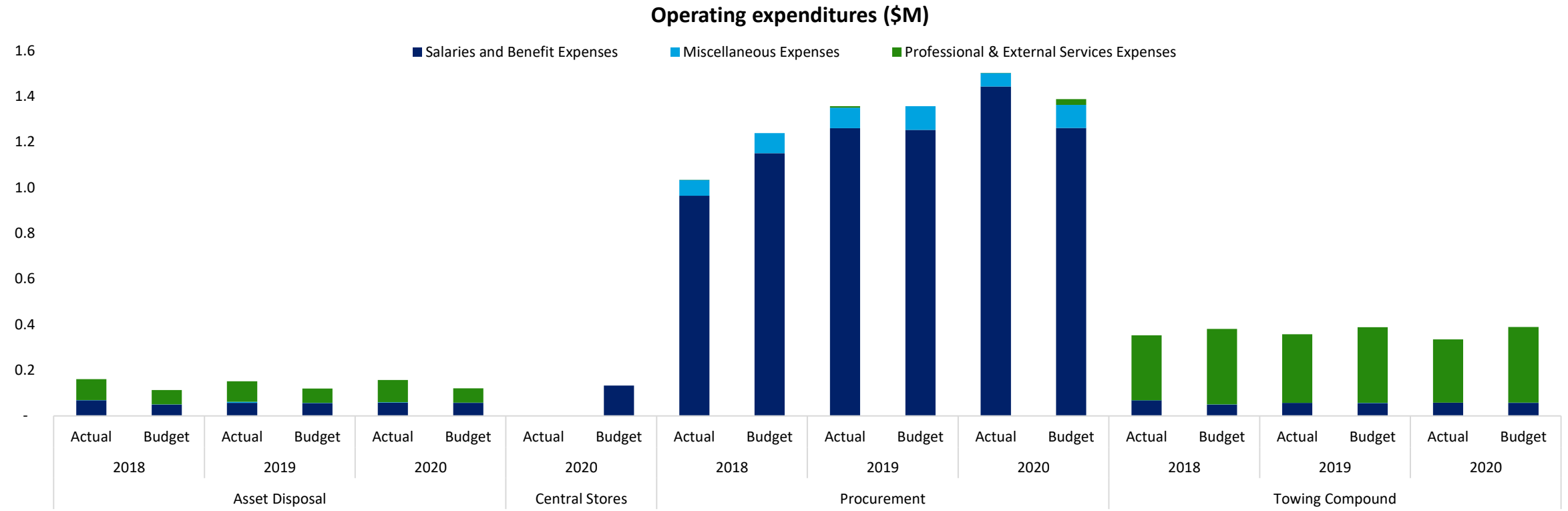
Note - all financial data sourced from the chart on slide 44

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Service profile – Procurement: Operating budget and actual spending by category

The chart below provides a visualization of actual operating expenditures from 2018 – 2020 for the following areas, Asset disposal, Central stores, Procurement and Towing compound. Total operating spend in 2019 was $1.9M vs $1.9M budgeted.

- In 2019, the largest expenditures across the entire Procurement service were salaries and benefits at $1.4M (73.7%) and professional & external services expenses at $0.4M (21.1%)



Note – operating costs derived from fund 110.

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Service profile – Procurement: Summary of work drivers

Financial area	Type	Service level drivers/definitions and commentary		Delivery	2019 Operating budget ($M)*	2019 Operating actual ($M)*	2019 Operating variance (%)	2019 FTE	Stakeholders
Asset Disposal	External	Management Directives/Surplus asset disposal	Responsible for determining if assets are to be sold at auction, donated, recycled or sent to the waste site (last resort).	City	0.1	0.1	–	1.0	Employees Vendors
Central Stores	Internal	Management Directives/purchasing procedure manual	Responsible for storing defined assets such as PPE, nuts and bolts, traffic lights, water and sewer pipes. Additionally, provides fuel services.	City	n/a	n/a	–	3.9	Employees, vendors
Procurement	Internal & External	Procurement process manual/Management Directives	Responsible for City's purchasing, sourcing and tendering initiatives.	City	1.4	1.4	–	15.0	Employees Vendors
Towing Compound	External	Legislation/Management Directives	Responsible for the storage of vehicles compounded by bylaw enforcement officers and RPS.	City	0.4	0.4	–	1.0	Employees, Citizens
Total					**1.9**	**1.9**	–	**20.9**	

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Service profile – Procurement: Procurement financial area

It is not possible to confirm whether this financial area is operating at standard given the lack of any KPIs in place to measure compliance and performance

Information

KPIs	• We have not been able to obtain any KPIs on this aspect of the operation.
Technology	• Oracle EBS system • Orbidder • SaskTenders • ACQ

Performance and Benchmarking

	Regina	Calgary	Windsor	Winnipeg
Goods & Services Awarded (Operating and Capital) Through a Centralized Procurement Process per Purchasing Staff ($)	13.8M	31.6M	19.9M	67.2M
Operating Costs for Centralized Purchasing per $1,000 of Goods and Services Awarded (Operating and Capital) Through a Centralized Procurement Process ($)	8.8	5.0	6.3	1.8
Municipal Purchases (Operating and Capital) ($)	299.4M	2,573.6M	282.3M	1,238.1M

- Procurement currently uses various technologies such as Oracle EBS system for all purchase Order/Blanket Purchase Agreement and Payment needs, ACQ to generate competition numbers. Currently, Procurement is in the process of onboarding a new software program, hosted by an external third party, SupplierLink Saskatchewan, to provide an opportunity for vendors to reduce submission requirements and duplication of records. The completion of the contract & procurement project in early 2020 resulted in the implementation of the Orbidder system to update and ensure consistent use of procurement documents. It also resulted in additional time spent by Procurement and business areas as they learn the new system and new procurement methods, such as negotiated request for proposal. Procurement has put together business cases for two more Oracle modules to assist with modernization of procurement and vendor management. One module has been included in the proposed 2022-2026 capital plan.
- The City awards the lowest amount of goods and services per purchasing staff and the second lowest overall purchase spend in 2019 compared to its peers. The City has the highest costs per $1,000 spent at $8.80.
- Procurement has trained over 500 stakeholders over six months.
- The average number of bids per bid call has fluctuated and been below average in the MBNC results since 2016. Due to the pandemic, the 2020 results have shown an increase to 4.5 bids per bid call.

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Service profile – Procurement: Central stores financial area including asset disposal and towing compound

It is not possible to confirm whether this financial area is operating at standard given the lack of any KPIs in place to measure compliance and performance

Information

KPIs	• We have not been able to obtain any KPIs on this aspect of the operation.
Technology	• Oracle EBS system • Orbidder • Adobe Acrobat • Oracle WAM • External auctioneer web service

Performance and Benchmarking

	Regina	Calgary	Windsor	Winnipeg
Operating cost for stores per dollar of inventory value ($)	0.4		Average 0.5	
Inventory turnover ratio (%)	296.4		Average 268.1	

Central stores

- Compared to its peers the central stores operating cost for stores is lower compared to the average municipality.
- The current inventory turnover for the City is higher compared to the average municipality.
- The City has one compound location that covers two city blocks for stores.

Asset disposal

- 59% of expenses is made up from auction commission.
- The service generated a 25% profit in the fiscal year of 2019.
- Technology that is leveraged in the asset disposal includes Oracle EBS system, Adobe Acrobat, Oracle WAM, and external auctioneer web services.

Towing compound

- In 2019, towing compound generated a 13% profit.

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Service profile – Fleet: Overview

Comprises six key branches: Civic, Fire, Transit and Training (all branches). Two other key activities, Capital replacement and Fleet control, usually delivered by Fleet organizations have also been included for commentary. Training and Fire are relatively small and so are not included within this profile other than in the notes below.

Fleet is responsible for procuring, maintaining and disposing of the vehicles, equipment and other assets used by other City services. It holds 107 full-time budgeted employees (FTEs). As of September 2020, Fleet managed 2,523 assets: licensed (813), unlicensed (1,192), trailers (207) and excess AAIA assets (311). The three largest brands held within the fleet are Ford (371), GMS (70) and Freightliner (38) with all the assets ranging in age from 1974 to 2021.

- **Civic** – provides and maintains vehicles and equipment used by other departments based on the need for Civic assets. This branch also encapsulates the entire fleet operation, training and safety. In 2019, budgeted expenses were $18.4M vs. actual expenses of $17.4M. Just over 40 full-time employees were budgeted in the baseline year, generally within the four maintenance shops (heavy truck, heavy equipment, light fleet and agriculture, waste management).
- **Fire** – includes all vehicles, equipment and maintenance that is provided for the fire emergency response stations. In 2019, budgeted expenses were $1.6M vs. actual expenses of $1.7M with no budgeted full-time employees with the organization chart identifying 6 full-time employees dedicated to Fire maintenance.
- **Transit** – maintains the ~ 120 bus fleet with all the buses being provided by the same manufacturer, Nova Bus. In 2019, budgeted expenses were $10.2M vs. actual expenses of $10.6M. There were 43 full-time employees assigned to transit maintenance.
- **Training** – provides the required basic vehicle and equipment training for all other services within the City of Regina, ranging from operating a lawnmower to a grader. In 2019, budgeted expenses were at $0.7M while actual expenses were at $0.8M. It currently has 6.25 full-time employees budgeted.
- **Capital replacement** - includes the funds used to replace vehicles and equipment for Civic, Fire and Transit. These assets range from sedans to graders with the exact number purchased per year depending on each year's requirements. In 2019, $12.7M were spent to replace assets while $26.4M was budgeted.

Note - all financial data sourced from the chart on slide 49

- **Fleet control –** manages the fleet which includes driving fuel efficiencies, ongoing use of the fleet, scheduling of the maintenance and the buying the assets.
- Excluding depreciation, the largest actual operating expenses in 2019 for both Civic and Transit are salaries, parts and services, which make up over 87% of the total cost In total, salaries were $7.7M (46%), parts were $4.7M (28%) and services were $2.1M (13%).
- At the end of 2020, there was $2.7M in "stock and non-stock" inventory in our Financial system:
  I. Heavy Stockroom - $0.8M
  II. Light Stockroom - $0.2M
  III. Transit Stockroom - $1.7M

Service requests

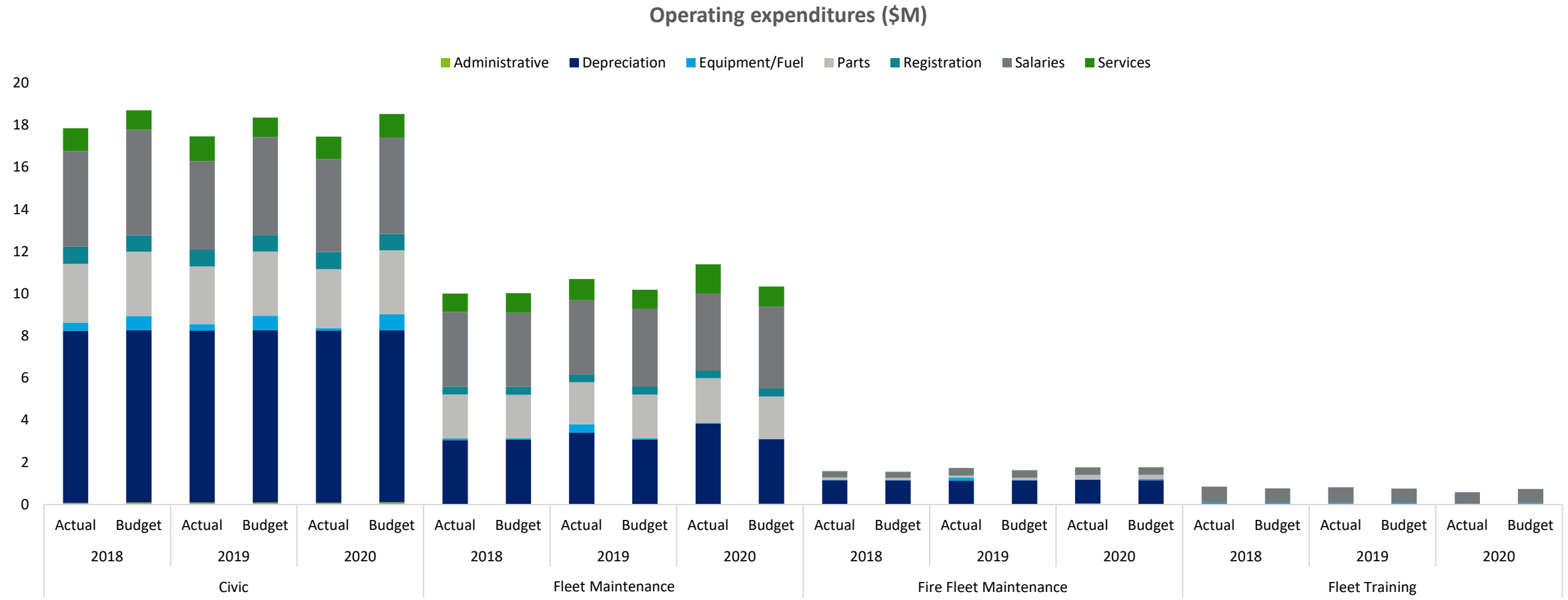
- Few service issues/calls compared to remainder of the City.
- 1.0% of City service calls are meant for Transit & Fleet
- 832.0 calls/emails
- 595.0 service requests
- 94.0% of service requests are contacted within two business days
- 99.0% resolved

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Service profile – Fleet: Operating budget and actual spending by category

Total operating and capital expenditures in 2019 were actual $29.3M vs. $43.7M budgeted.

- The largest expenditures within the Fleet operations are Salary and Benefits ($0.7M) which make up 88.9% of all operating expenditures.



Note – operating costs derived from fund 110.

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Service profile – Fleet: Summary of work drivers and hypotheses for discussion

Efficiencies can be recognized by decreasing the sqft/employee, transitioning facilities to be more energy efficient and closing inefficient buildings

Branch summary Profile (top 4 branches only)

Branches/ feature	Type	Service level Drivers/definitions and commentary		Delivery[1]	2019 Op bud ($M)*	2019 Op act ($M)*	Op Var (%)[1]	2019 FTE	Stakeholders
Civic	Internal	Maintenance schedules/ management directive & agreement	Replacement driven by budget established with depts. for asset upgrades and replacements. Maintenance driven by schedules and working practices in the shops	City, 8.0% of activity is O/S[2]	10.2	9.3 (45.0% labour, 29.3% material)*	**8.8**	40.5	Other City departments. Generally internal stakeholders only.
Transit	Internal	Maintenance schedules/ management directive	Replacement driven by budget established with depts. Maintenance by schedules and working practice	City, 8.0% of activity is O/S[2]	7.1	7.3 (48.2% labour, 27.3% material)*	**2.8**	49.0	Citizens
Fleet control	Internal	City services/ management directive	Assets are determined by department needs for the following year. Maintenance schedules set by dealership requirements and needs of the asset.	City	In C&T	In C&T	-	-	Other City departments, Fleet department, dealerships
Capital replacement	Internal	City services/ management directive	Budget is determined and approved by the City before procuring additional assets based on current assets' lifecycle. Purchases may overlap one year to the next.	City	26.4	12.7	**51.9**	In Fleet ctrl.	Civic, Fire & Transit
Total					**43.7**	**29.3**	**33.0**	**89.5**	

*excludes depreciation
Note – expenses stated are only for the areas mentioned above. The total operating expenditure for all areas within Fleet was $30.7M in 2019.

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Service profile – Fleet – Civic

it is not possible to confirm whether the sub service is operating at standard given the KPIs being used to measure compliance/performance

Information

KPIs	16 KPIs developed; 14 with targets. Data not current/infrequent completion. Examples include: • Fleet availability benchmark (95%) was maintained through 2018 • Outsourced repairs (8%) finished above target of 7% in 2018 • Average maintenance cost per unit target was $1,172 but was missed in 2018 with an average of $3,793
Technology	• M5 work order system • CAM (Capital Asset Management) system for financials

Performance and Benchmarking

	Regina	Calgary	Windsor	Winnipeg
L/100Km fuel consumption (LV only and MV)	28.0 & 50.7	18.9 & 32.3	18.7 & 32.1	19.8 & 28.0
% unplanned maintenance work order hours	34.0	34.0	66.0	85.0
Average annual Km travelled per LV and MV	7,558.0 & 6,500.0	All respondents at 10,871.0 & 10,874.0		
Direct Cost per LV & MV /KM ($)	0.5 & 1.0	0.3 & 0.5	0.3 & 0.7	0.4 & 0.8

Compared with other fleets, the fleet appears to be reliable and meeting the expectations of its internal customers, but more expensive to maintain and run even though each unit on average covers less annual distance than those in other's fleets. There may be considerable opportunities to drive efficiency and control

- There are very few service requests, which suggests that the internal customers are generally satisfied.
- The service is generally driven by replacement, retirement and upgrade policies and discussions with the customers served and the maintenance schedules in the shop.
- KPI performance and managerial controls are unclear, with the most recent data being from 2018 with 16 KPIs, 14 with targets and 13 measures with either inadequate or not current data. The KPIs do touch on shop productivity amongst others. The efficiency and productivity of the shop is unclear from the KPIs.
- Benchmarking suggests that the fleet is more expensive to operate and reliable than others and is not worked as hard as others (on average the units cover less annual milage)
- Technology is used to manage the capital program and for work orders but not for driving efficiency (for example analyzing idling time, fuel usage and time at job site location).
- There are currently five areas within fleet including Heavy Equipment shop - FMMS02, Heavy Truck shop - FMMS01, Light Equipment shop - IF01, Parts Area and Support staff/ MGMT with 10 levels and 43 staff.
- There are currently 1,229 units within eight categories within the subservice.

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Service profile – Fleet – Transit

It is not possible to confirm whether the sub service is operating at standard given lack of KPIs being used to measure compliance/performance

Information

KPIs	19 KPIs developed, 17 with targets. Data is from Q4 of 2019. Examples include: • Direct billable labour hours finished below the benchmark of 70% (64.5%). • Both outsourced % work order and % maintenance cost finished above the target (12.0% & 25.0%). • Average maintenance cost per unit is well below benchmark of $52,000. • Fleet availability (avg 77.7%), 2019 goal 75% • Total Annual Road Interruptions (1,077) with a goal of less than 1,900 in 2019 • Time loss incidents (3) with a goal of 1 in 2019
Technology	• M5 work order system • CAM (Capital Asset Management) system for financials

Performance and Benchmarking

	Regina	Calgary	Windsor	Winnipeg
L/100km fuel consumption (HV)	38.4	65.7	61.1	20.6
% of Unplanned Maintenance Work Order Hours	34.0	34.0	66.0	85.0
Average Km Traveled per HV	19,685.0	All respondents at 14,425.0		
Direct Cost per HV Km ($)	1.3	01.5	2.2	0.6

The heavy vehicle (HV) fleet is more fuel efficient and more cost effective to maintain than other's HV fleets. There may be learnings that can be applied to light vehicles (LV) and medium vehicles (MV).

- The service is generally driven by replacement, retirement and upgrade policies, and the maintenance schedules in the shops.
- KPI performance and managerial controls are not clear, with the most recent data being from 2019 with 19 KPIs, 17 with targets and only one missing data (actual operating costs vs. budget). The KPIs touch on safety, quality, delivery, costs and morale. The KPIs show that the average maintenance costs and quality are above the KPI targets but are often outsourcing more than planned.
- Benchmarking suggests that the HVs are run and maintained more efficiently compared with other cities.
- Technology is used to manage the capital program and for work orders but not for driving efficiency (for example analyzing idling time, fuel usage and time at job site location).
- The purchasing of parts may not include or be able to support coherent contract negotiating.
- Compared to the KPIs this sub service has been able to meet its goal of fleet availability of 75% and having less than 1900 interruptions in 2019 , additionally operations has not been able to meet its goal of limiting time loss injury incidents to 1.
- Transit's participation in training has exceeded the expected target in 2019 of 60% with an average of 63.4% of staff attending.
- Over 20% of maintenance cost were outsourced , which may help with controlling the direct costs in maintaining the heavy vehicles.
- For client service request related to "fleet and transit" Transit made up 96.3%(802) of the total requests (832).

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Service profile – Fleet – Control

It is not possible to confirm whether the activity is operating at standard given the KPIs being used to measure compliance/performance

Information

KPIs	• We have not been able to obtain any KPIs on this aspect of the Fleet operation.
Technology	• M5 work order system • CAM (Capital Asset Management) system for financials

Performance and Benchmarking

Note absolute # of units in ()	**Regina (180Km^2 250k pop.)**	**Calgary (825Km^2 1.6m pop.)**	**Windsor (146Km^2 335k pop.)**	**Winnipeg (464Km^2 808k pop.)**
Number of Light Vehicles/Km^2 and pop (m)	1.8 & 1,320.0 (330.0)	1.3 & 662.0 (1,060.0)	1.4 & 597.0 (200.0)	1.1 & 641.0 (518.0)
Number of Medium Vehicles/Km^2 and pop (m)	0.4 & 320.0 (80.0)	0.7 & 369.0 (591.0)	0.3 & 143.0 (48.0)	0.5 & 309.0 (250.0)
Number of Heavy Vehicles/Km^2 and pop (m)	0.7 & 476.0 (119.0)	0.8 & 398.0 (636.0)	0.2 & 93.0 (31.0)	0.3 & 194.0 (157.0)

Overall, the City runs a smaller fleet than others in absolute terms but adjusted for population and City areas the numbers are more mixed. The City has more LVs per capita, and area compared with other cities, is 2nd/3rd for MVs and 1st/2nd for HVs with adjusted benchmarks. As per the top two tables the LV and MV assets have higher fuel usage, travel fewer Kms but are more expensive to maintain on the fleet whereas the HV assets are broadly better than the BMs of other cities. We have not seen any KPIs that cover for typical fleet management activities.

- An M5 Service Advisor has recently been hired to manage the fleet assets, maintenance sequencing, and reducing overtime for the entire 813-licensed unit fleet.
- GPS capability is currently being installed on assets over the next few years. We have yet to see a coherent plan to use the GPS and other data to help drive down fleet costs, for example to improve fuel usage, reduce idling and improve driving style.
- The lack of KPI data makes it difficult to determine how well the fleet is controlled. There does seem to be a strong focus on improving the scheduling of maintenance.
- We have been advised that the number of assets to be procured/help on fleet is decided in conversation with each service owner (not Fleet). It may be worth considering how to drive other services to become more productive by applying pressure by limiting replacement vehicles (for example replace only 9 of 10 for asset classes with many units), using criteria on aligning vehicle features with the job requirements, and driving down costs overall.
- Currently, the City's use of medium and heavy vehicles compares well with to comparable benchmarks such as the number of medium and heavy vehicles to population compares well to Calgary and Winnipeg

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Service profile – Fleet - Capital replacement

it is not possible to confirm whether the activity is operating at standard given the KPIs being used to measure compliance/performance

Information

KPIs	21 KPIs developed; 14 with targets. Data not current/infrequent completion. Examples include: • The fleet age benchmark (10) was maintained in Q1 of 2018. • Fleet availability was above the benchmark (95.5%) in the beginning of 2018. • Replacement backlog had a single unit but no benchmark stated.
Technology	• M5 work order system • CAM (Capital Asset Management) system for financials

Performance and Benchmarking

	Regina	Calgary	Windsor	Winnipeg
Average age in years (LV only)	8.1	6.0	5.9	6.4

The fleet is older along with having more light vehicles per capita compared with other municipalities. The current mandate is to use approved finances to replace assets each year with discussions among departments to determine/prioritize purchases. Based on conversations to date, all assets are owned with very few leases in place. The entire fleet is older than the rest with the LV fleet generally at least 26% older than the next most aged fleet.

- The replacement of assets is essentially determined through conversations with the other City departments. It is unclear how pressure is applied to force improvement and drive down the number of assets, their specifications and hence costs.
- The fleet includes a wide variety of assets that includes 70 model types that range in age between 1974 and 2021. Ford makes up most licensed units (371), followed by GMC (70) and Freightliner (48).
- KPI performance and managerial controls are unclear, with the most recent data being from 2018 with 21 KPIs, 14 with targets and 20 measures with either inadequate or not current data. As of 2018 the fleet was maintaining the expected average age of the fleet while ensuring there were enough vehicles when needed.
- Small tool replacements makes up over $90,000 of the expenditures and is a centralized process that has the equipment purchased and then leased to the receiving departments.
- Currently Fleet utilizes CAM (Capital Asset Management). This Software is used for troubleshooting and maintenance of equipment, engines, heavy and light duty vehicles

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Service profile – Facilities: Overview

Facilities comprises five branches: Building Services, Engineering and Utilities, Maintenance, Management Services, and Operations. Capital Expenditures are generally managed by the Engineering team. An overview of each of the branches follows.

Facilities is responsible for providing Building Services to the City departments for internal operations and for service delivery to the citizens. The engineering of capital projects, maintenance of the facilities and their operation is also within the Service's scope. In 2019, Facilities held 137.8 full-time budgeted employees (FTEs) with the most recent book value of Civic Facility assets being $670M.

- Civic Facilities is comprised of a total of 767 assets with the larger asset classes including: transit shelters, parking lots, maintenance & storage facilities, bridges and outdoor rink shelters.
- **Building Services** – provides amenities to facility occupants and users as well as employer provided parking. The type of work performed ranges from setting up offices, providing furniture, reconfiguring the furniture and space to accommodate working group relocations and monitoring facility security. In 2019, there were 6 FTEs budgeted with a total operating spend of $1.7M vs a budget of $1.8M.
- **Engineering and Utilities** – is focused on facility capital projects and planning how to manage the municipal infrastructure to provide services to residents and other users effectively with guidance by the corporate facilities master plan and the facilities asset management plan. The Utilities section includes the cost of utilities (electricity, gas, and water) for all facilities owned or leased by the City. In 2019, 11 FTEs were budgeted in Engineering with 0 budgeted in Utility services, and the combined branches had a total operating spend of $4.3M vs. $4.2M budgeted with the utility costs accounting for ~$3.7M of the actual spend.
- **Maintenance** – is focused on maintaining the City facilities through the use of skilled trades such as plumbers, electricians, contractors, building maintenance, painting and other related trade services. In 2019, there were 39.1 FTEs budgeted with a total operating spend of $4.1M vs a $3.9M budget.
- **Management Services** – provides management and leadership to the Facilities service with this being the office of the Director of Land, Real Estate and Facilities department. The budget is funded 50% from taxes and 50% from Land & Real Estate revenues starting in 2020. They are responsible for managing the Facilities employees in the departments. In 2019, there was 1 FTE budgeted with a total operating spend of $0.4M vs. a $0.2M budget.
- **Operations** – provides the janitorial and operating services (not related to program delivery) within the facilities and administrative tasks as needed. It is responsible for ensuring that the facilities are clean and ready to be used by users. In 2019, there were 86.7 FTEs budgeted with a total operating spend of $7.5M vs. a budget of $7.7M.
- **Capital Expenditures** – are managed by the Engineering team through the allocation of the approved capital plan, outsourcing and monitoring the ongoing capital projects. In 2019, the total Capital Expenditure was $69.1M vs. a budget of $47.1M (excluding 2018 carry-forward amount of $51M). Capital Expenditures are all coded to fund 210. Examples of budgeted 2019 Facilities department capital expenditures are: $12.4M for Transit Fleet Maintenance Facility, $11.6M for Waste Management Centre, $8.4M for Facilities Asset Management $7M for Regina Police Service – New HQ Development, and $5.4M for Parks & Facilities Yard Development.

Service requests

- In 2020 (data is unavailable for 2019), the Facilities service group received 691 service requests relating to facilities inquiries, which is approximately 2 service requests per day. With Cherwell requests totaling 1,532 (not including direct requests).
- Only 17 (2.4%) of the service requests failed to provide a call back after a call back had been requested.
- Based on the low average service requests received per day and the low percentage of no call backs provided after a call back was requested, it seems that the Facilities group is operating well with not many complaints received per day regarding the Facilities owned by the City.

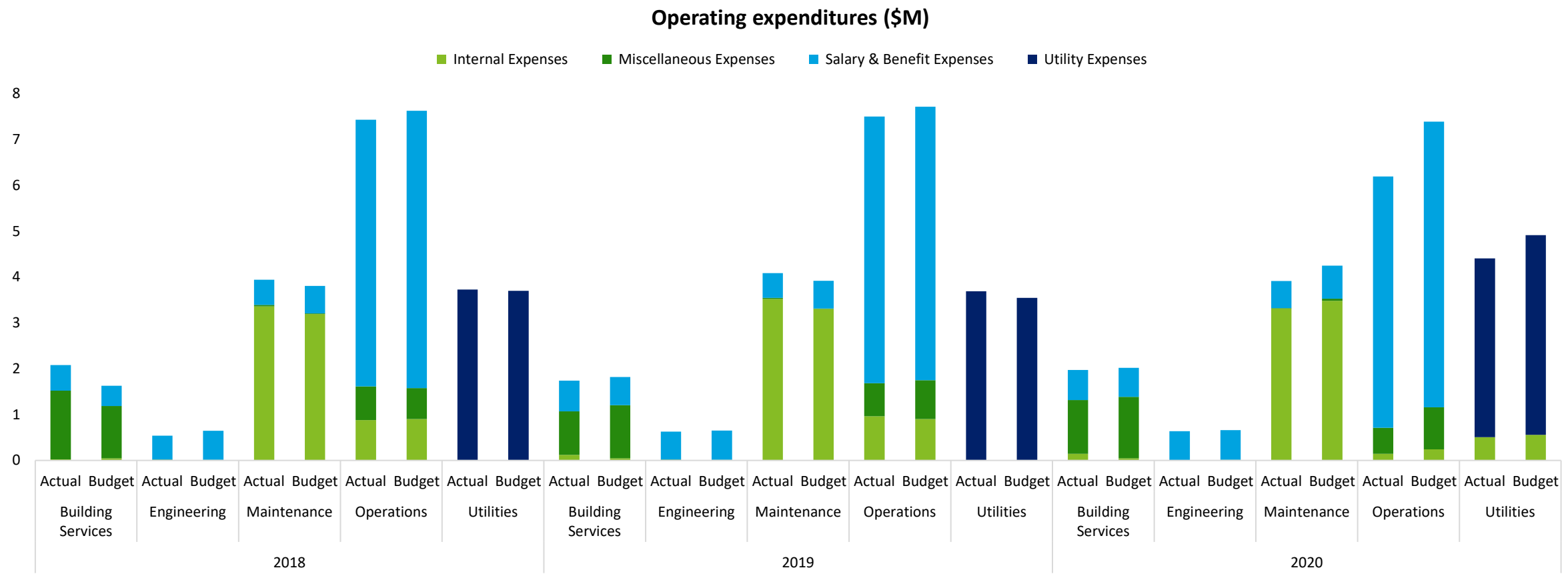
Note - all financial data sourced from the chart on slide 56

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Service profile – Facilities: Operating budget and actual spending by category

Total operating spend in 2019 was $18.1M vs. $17.9M budgeted

- The largest expenditures within Facilities for 2019, were utilities ($3.7M @ 20.5%), internal expenses ($4.5M @ 25.0%), and salaries and benefits ($8.0M @ 44.3%), which together make up 89.8% of all operating expenditures.



Note – operating costs derived from fund 110.
In 2020, the water and sewer budget was moved from operations to engineering and utilities which resulted in the utilities actual/budget increasing by $1.3M.

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Service profile – Facilities: Summary of work drivers and hypotheses for discussion

Efficiencies can continue to be generated by decreasing the sqft/employee for office space that has yet to be renovated, transitioning facilities to be more energy efficient and closing inefficient buildings

Branches/ feature	Type	Service level drivers/definitions and commentary		Delivery	2019 operating budget ($M)*	2019 operating actual ($M)*	2019 Operating variance (%)	2019 FTE	Stakeholders
Building Services	Internal	Requirements of building occupants and program needs/Management Directive	The needs of the facility occupants or users drive the expenditure as the team provides essential/in-demand assets to each facility	City	1.8	1.7	**5.6**	6.0	Civic facility users and employees
Engineering and Utilities	Internal	Approved capital plan for facility additions and refurbishments. Usage rate of facilities /Management Directive	The complexity and number of capital projects drives work as does the need to monitor contractors. The usage rate of facilities (as well as the building envelope efficiency) impacts the operating cost of facilities. For example, heating and cooling facilities, energy consumption and water use. The space allocation and employee density also plays a factor in gross space required as well as the costs to operate	City & contractors	4.2	4.3	**2.4**	11.0	Civic facility users and citizens
Maintenance	Internal	Usage rate, age, condition, and number of facilities. Preventative maintenance program /Management Directive/Program requirements	The usage rate drives wear and tear of the facilities. The number of facilities impacts costs based on both quantity of assets needing maintenance and each assets maintenance schedule. The age and condition may require additional work if the facility is older and/or in poor condition. Preventive maintenance may drive costs down	City & contractors	3.9	4.1	**5.1**	39.1	Civic facility users and facility employees
Management Services	Internal	Need for management	Single position only, deleted in 2021 (no branch profile provided)	City	0.2	0.4	**100 .0**	1.0	Employees
Operations	Internal	Usage, hours of operation, and program delivery/Management Directive	Driven based on the usage of facilities by Citizens, hours of operation, and program delivery as additional foot traffic within facilities will require additional FTEs to perform janitorial or administrative work within the facilities.	City	7.7	7.5	**2.6**	86.7	Civic facility users and facility employees
Capital Expenditures	Internal	Approved capital plan for facility additions and refurbishments/ Management Directive	Capital Expenditures are mainly driven from the approved capital plan for facility additions and refurbishments, which is created based on the needs of the City's stakeholders for additional/refurbished facilities.	City & contractors	47.1	69.1	**46.7**	–	Citizens, Facilities Engineering team and internal departments
Total					**64.9**	**87.1**	**34.2**	**143.8**	

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Service profile – Facilities: Building Services

It is not possible to confirm whether the branch is operating at standard given the lack of any KPIs in place to measure compliance and performance

Information

KPIs	• No Facilities/Building Services specific KPIs in addition to those included in the corporate scorecard (service requests with customer response within two days, LOS has not been defined)
Technology	• Checkmate, OnGuard Security Software, Field Level Risk Assessment, Office 365, and Adobe Pro

Performance and Benchmarking

	Regina (250k pop.)	Calgary (1.6m pop.)	Windsor (335k pop.)	Winnipeg (808k pop.)
Gross square foot of all municipality owned/leased buildings per City employee (Square ft/City employee)	1,078.5	1,160.8	1,565.7	956.8
Gross square foot of all municipality owned/leased buildings per capita (Square ft/capita)	12.1	9.3	10.3	11.8
Gross square footage of Headquarters (HQ) building per capita (Square ft/capita)	0.7	0.5	0.4	0.3

- Work is mainly driven by the need for well-being and security of building occupants and the users of facilities through the provision of building amenities (furniture set-up, office set-up for example), and managing the capital assets within the facilities (such as desks, chairs, furniture, building equipment, storage fixtures and waste/recycling bins).
- The City of Regina's Building Services Branch monitors significantly less square footage of all owned and leased buildings than other municipalities per City employee as per the table above although it does not have the lowest square feet per employee of all the municipalities shown.
- The City of Regina's Building Services branch monitors more square footage of all owned and leased buildings than other municipalities per capita as per the table above, which may be a function of the space needed to service a City of any size with Regina having the smallest population of the set.
- There are no Facilities/Building Services specific KPIs in place, which make it difficult to determine the efficiency and productivity of the Building Services team and whether the team meets the requirements for performance overall. There are two city-wide KPIs in place, levels of service have not yet been defined and efficiency and productivity are not measured, which makes it difficult to determine whether performances are at standard . However, service requests that were responded to had better than standard.
- The Building Services team uses OnGuard Security Software technology for building security.

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Service profile – Facilities: Engineering and Utilities

It is not possible to confirm whether this financial area is operating at standard given the lack of any KPIs in place to measure compliance and performance

Information

KPIs	• We have not been able to obtain any KPIs on this aspect of the operation.
Technology	• Metrix, GIS, AutoCAD, BluBeam, Gordian VFA, Oracle Orbidder, Office 365, and Adobe Pro

Performance and Benchmarking

	Regina (250k pop.)	Calgary (1.6m pop.)	Windsor (335k pop.)	Winnipeg (808k pop.)
Electrical consumption in equivalent kWh for HQ per square foot of HQ building (kWh/square ft)	18.3	10.0	6.8	20.9
Natural gas consumption in equivalent kWh for HQ per square food of HQ building (kWh/square ft)	21.3	17.7	1.3	16.9
Total equivalent kWh energy consumption per square foot of HQ building(kWh/square ft)	39.7	27.7	8.1	37.8

- The primary focus of the Engineering branch is new capital construction, renovation and upgrades to facilities driven by the corporate facilities master plan (CFMP) and further by the facilities asset management plan.
- Work is generally driven by the corporate facilities master plan which identifies which facilities to acquire, construct, replace or refurbish.
- The consumption of utilities is driven by a myriad of drivers including: the age and condition and energy efficiency of the buildings, policy on the use of lighting and temperature setting in the buildings, the number of users and employees in the facilities and many others.
- There are only benchmarks available for HQ. Broadly HQ is on par with Winnipeg's performance per square foot although gas consumption is considerably higher.
- The team uses GIS, AutoCAD, and BluBeam for their facility drawings and specification review and Gordian VFA for capital planning and condition assessment purposes. They also have access to Oracle Orbidder, which assists them with procurement for capital projects.
- Utilities are tracked through a software called Metrix, which manages natural gas and electricity consumption. Although the City has Building Management Systems in all major facilities and facilities built or significantly renovated since 2005, we have yet to establish the use of techniques such as AI backed load management to help reduce expenditure. It should be noted that all major facilities and newly renovated facilities have automatically controlled HVAC systems based on scheduled occupancy.
- We have been unable to identify any key performance indicators that might confirm the productivity and efficiency of the work executed and any improvement to the use, consumption and cost of the utilities.

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Service profile – Facilities: Maintenance

It is not possible to confirm whether the branch is operating at standard given the lack of any KPIs in place to measure compliance and performance

Information

KPIs	• Newly established Facility Condition Index (no data provided; a single KPI developed with no target mentioned in the CFMP).
Technology	• WAM, Cherwell, Field Level Risk Assessment

Performance and Benchmarking

	Regina (250k pop.)	Calgary (1.6m pop.)	Windsor (335k pop.)	Winnipeg (808k pop.)
NBV of tangible capital assets ($M)	2,323.0	18,482.0	2,123.0	7,577.0
NBV of tangible capital assets per capita ($/capita)	9,285.0	11,377.0	6,337.0	9,377.0

- Maintenance is responsible for maintaining and repairing the capital assets owned or leased by the City. The main drivers of work are the number of assets owned, the condition of the assets, the age of the assets, program requirements and the associated preventive maintenance program.
- The lack of KPIs data makes it difficult to determine how well the Maintenance is performing. We would expect to see standard times for the completion of work for certain jobs, especially those that are repetitive in nature and that these times standards would be used to help improve productivity.
- Maintenance received a total of 6,725 work orders in 2020 and 2021 YTD. Of the work orders, only 31 were cancelled and 33 were rejected. This is approximately a 99% work order acceptance rate; where an active work order is created. We have been unable to understand whether the work orders are completed to standard or not, especially as the standard relates to productivity and efficiency.
- Per the benchmarks, the City has both a similar net book value (NBV) of tangible capital assets and similar NBV of capital assets per capita to Windsor. This suggests that the City manages and provides a similar amount of tangible capital assets to its population per capita.
- Maintenance uses a WAM system (for work orders) to help organize and track all received work orders. It is unclear currently how the trades are supervised when working and whether, for example, techniques such as augmented reality remote video calling are used to help improve supervision and tightened delivery.

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Service profile – Facilities: Operations

It is not possible to confirm whether the branch is operating at standard given the Levels of service have yet to be defined and that there are generally no KPIs used to monitor and measure productivity and efficiency. However, service request response times are measured, and their performance is better than target

Information

KPIs	• No Facilities/Operations specific KPIs in addition to those included in the corporate scorecard (service requests with customer response within two days, LOS has not been defined)
Technology	• Cherwell, Field Level Risk Assessment, ActiveNET, Checkmate, Microsoft 365, and Adobe Pro

Performance and Benchmarking

	Regina (250k pop.)	Calgary (1.6m pop.)	Windsor (335k pop.)	Winnipeg (808k pop.)
Direct cost of facility operations for HQ per square feet of HQ building (Direct cost/square foot) ($)	12.2	9.5	8.6	12.8
Total direct cost of facility operations per square feet of HQ building (Total cost/square foot) ($)	13.5	13.3	12.9	14.3

- Operations is driven by the need of janitorial services, client programming, preventative maintenance requirements, Cherwell requests, on - demand requests and regulatory requirements within the facilities. This includes daily property management services such as housekeeping, general and technical equipment operation and building systems management owned and leased by the City.
- For HQ only, the City has considerably greater operating facility and total facility costs per square foot of HQ building compared to Calgary and Windsor. However, its costs are on par with those of Winnipeg.
- There are two KPI's in place, levels of service have not yet been defined and efficiency and productivity are not measured , which makes it difficult to determine whether performances at standard . However, service requests that were responded to had better than standard.
- The key technology used by the Operations team includes Cherwell to help organize, track and manage service requests.

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Service profile – Roadways: Overview

Roadways comprises 12 branches: Administration, Asphalt Plant and Materials Engineering (APME), Asphalt Services (Maintenance & Construction), Bridge Maintenance , Concrete Services (Maintenance & Construction), Cross Function, Paved & Gravel Alleys, Landscape Trades, Roadways Preservation, Street Sweeping, Traffic, and Winter. It also includes financial provisions for claims related to Alleys, Road Operations, Traffic and Winter.

Roadways: is broadly responsible for procuring, maintaining and cleaning the roadways. In 2019, it had 201.5 full-time budgeted employees with an actual average number of employees of 281 for the year which is a mix of permanent and casual employees. The six largest services by headcount are Asphalt Services with 16.5 FTEs, Concrete Services with 18.6 FTEs, Paved Alleys with 27.6 FTEs, Seasonal (Sweep and Winter) with 47.3 FTEs (shared) and Traffic with 34.8 FTEs.

These six largest branches that account for 80% of the total roadways operating budget are:

- **Asphalt Services**– maintains 900 km of paved roadway by delivering roadway maintenance and capital projects for the City. In 2019, the budget for asphalt was $5.2M vs actual expense of $5.6M.
- **Concrete Services** – maintains approximately 1,270 km of sidewalk and 550 km of separate curb. It delivers maintenance and capital projects within the City. In 2019, budgeted expenses were $0.08M vs. actual expenses of $3.6M. However, it appears that the previous concrete (old) branch maintained the true 2019 budget expenses of $3.6M.
- **Paved Alleys** –maintains 172 km of paved alleys. This sub service delivers maintenance and renewal services for alleys by maintaining and renewing the pavement, filling potholes, sweeping and tree pruning. In 2019 the budget was $3.4M and an actual expense of $3.8M.
- **Seasonal** – includes Sweep and Winter activities. **Sweep** – Reclaims road gravel and winter debris through a short, high intensity program and operates a Summer Maintenance Sweep Program. In 2019, budgeted expenses were $2.4M vs. actual expenses of $2.7M. **Winter** – includes snow plowing, snow removal and sanding the roads. It employs a mix of City and contracted services. In 2019 the budget was $8.8M and actual expenses were at $7.2M. Seasonal held a total of 47.3 FTEs in 2019.
- **Traffic** – includes roadway safety, traffic capital design and delivery, temporary traffic accommodations, current state asset management. In 2019, the budgeted expenses were $9.7M with actual expenses at $8.3M. In 2019 utility costs accounted for 59.7% of operating costs, traffic lights and streetlights were responsible for ~$2.5M of the total $4.9M of utility expenses.
- **Capital Expenditures**: Roadways delivered a $49.2M capital program in 2019, which comprised of: $37M street infrastructural renewal ($15M residential, $15M arterial and collector & $7M Asphalt Preservation), $7M for bridges and $2M allocated to traffic signals. It's 2019 budget was $61.4M, which shows that the Roadways service budgeted $12.2M greater than what they expected to spend on Capital Expenditures.
- Roadway's salaries comprise regular pay of $10.4M with an additional $1.5M in overtime pay for both permanent and casual employees or 32% of total spend. Additionally, contracted services accounted for another $3.4M of expenditure or 9.2% of total spend. The utility expense (electricity) for 2019 was $4.9M, or 13% of the total spend.

Service requests

- In 2021, 3,222 of 35,359 service requests were related to winter maintenance (9.1% of the City's total inbound service requests)
- 81% responded within 48 hours
- 37% received in January
- 91% of service requests completed within 48hrs
- 18% regarding Ice control

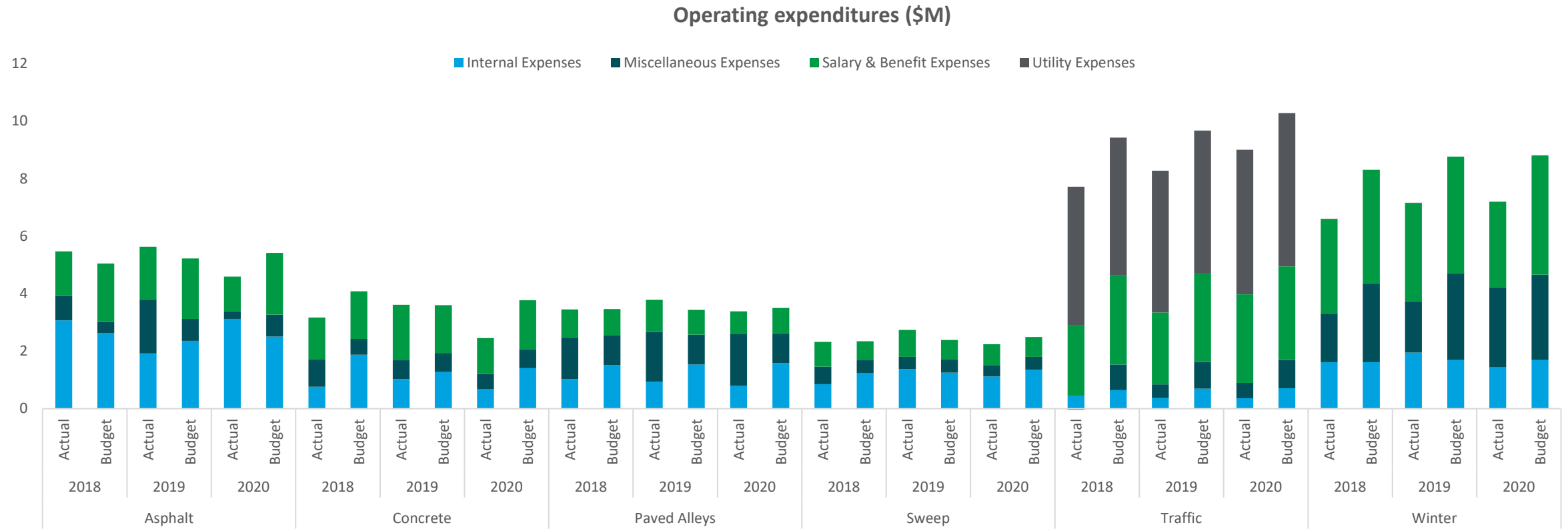
Note - all financial data sourced from the chart on slide 63

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Service profile – Roadways: Operating budget and actual spending by category

Total operating expenditure for the areas within the chart in 2019 was $31.2M vs. $33.1M budgeted.

- The largest expenditures within the Roadways in 2019 was the Traffic branch for $8.3M, Winter branch for $7.2M and Asphalt branch for $5.6M.
- In 2019, the budget was greater than the actual operating expenditures within the Roadways service. The only branches that went over budget in 2019 was: Paved Alleys (3.8M actual vs. $3.4M budget), and Sweep ($2.7M actual vs. $2.4M budget). From this information, we can garner that the Roadways department is generally budgeting their operating expenditures for the year accurately.



Note – operating costs derived from fund 110.

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Service profile – Roadways: Summary of work drivers and hypotheses for discussion

Efficiencies can be recognized by implementing new technologies, maximizing the mix of labour between seasonal work, and implementing financial controls within the 620 fund.

Branches/ feature	Type	Service level drivers/definitions and commentary		Delivery	2019 operating budget ($M)*	2019 operating actual ($M)*	2019 Operating variance (%)	2019 FTE	Stakeholders
Asphalt	External	Age and condition of paved road network/ Management Directive	In 2021, 17.6% of all service calls were directed towards Roadways Maintenance Ops. Goal of the Residential Road Renewal Program is to achieve 85% of the residential road network in 'fair' or 'better' condition	City/ contractors	5.2	5.6	7.7	16.7	Citizens , contractors
Concrete	External	Age and condition of concrete assets/Concrete inspection & maintenance policy	In 2021, 17.6% of all service calls were directed towards Roadways Maintenance Ops. The policy defines the allocation of resources to repair and maintain sidewalks	City/ contractors	3.6	3.6	–	18.6	Citizens, contractors
Paved Alleys	External	The approved program related to the Special Tax to fund the work / Council Policy	The program includes reconstruction, one sweep of alleys, maintenance, plowing and tree pruning. The City's strategy is to maintain paved alleys on a 30-year reconstruction cycle.	City/ contractors	3.4	3.8	11.8	27.6	Citizens, contractors
Sweep	External	Management directives	Fall leaf sweep in mature areas, spring street sweep, summer Maintenance sweep	City	2.4	2.7	12.5	47.3	Citizens
Winter	External	Weather patterns/winter maintenance policies	The winter maintenance policy defines service threshold and program outcomes. The policy contains 11 objectives in 6 categories of roads.	City/ contractors	8.8	7.2	**18.2**		Citizens, contractors
Traffic	External	City services/ management directive/traffic By law No.99	In 2021, 29.0% of citizen service requests were related to traffic engineering. By Law No.99 outlines parking, permits, coin deposit amongst others.	City	9.7	8.3	**14.4**	34.8	Citizens
Total					**33.1**	**31.2**	**5.7**	**145.0**	

Note – expenses stated are only for the areas mentioned above. The total operating expenditure for all areas within Roadways was $36.9M in 2019.

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Service profile – Roadways: Traffic

It is not possible to confirm whether the branch is operating at standard given the lack of any KPIs in place to measure compliance and performance

Information

KPIs	• We have not been able to obtain productivity/efficiency KPIs on this aspect of the operation
Technology	• Excel, Outlook, GIS, Synchro Studio (merge and analyze traffic), and SQ3TS PTS (portable traffic signals)

Performance and Benchmarking

	Regina	Calgary	Windsor	Winnipeg
Op Cost for Traffic Management/Lane Km ($)	2,597.0		3,738.0	
No. On-Road Traffic Coll. with Prop. Dam./100K pop.	2,158.0	2,689.0	1,370.0	3,386.0
On-Road Traffic Collision Rate (Collisions per M Vehicle Km)	3.0	3.4	1.9	4.9

- Operating costs are lower than the average for other municipalities, as are the number of traffic collisions per 100K of population with on road collision rates. So, the City compares favorably with others.
- The lack of KPIs data makes it difficult to determine how well Traffic is managed and run. Traffic uses technologies such as Synchro Studio to mange and analyze traffic levels as well as the use of SQ3TS PTS for portable traffic signals
- Traffic services is responsible for the automated speed enforcement program where three speed enforcement cameras are cycled through 10 locations (5 within school zones) – currently yielding a net revenue of ~ $175.8K pa.
- We have yet to establish what is being done to reduce utility and staffing costs year over year.

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Service profile – Roadways: Winter

This branch appears to be operating at standard given that it is meetings its KPIs for compliance and performance.

Information

KPIs	• The current winter KPIs measure response to major winter events within 24 hrs., they are not measures of productivity
	• Snow Removal on Cat. 1 and 2 roads within 24hrs 85% of the time • Ice control Cycles on major roads Approx. 90-95% roads were cycled
Technology	• OnGuard, Campaigner, LPR camera, and BSM FleetCenter/Geotab MyGeotab

Performance and Benchmarking

	Regina	Calgary	Windsor	Winnipeg
Op. Cost for Winter Maintenance of Roadways/Lane Km Maintained ($)	1,682.0	3,156.0	2,385.0	6,657.0
Tot. Cost for Winter Maintenance of Roadways/Lane Km Maintained ($)	2,077.0	3,144.0	2,451.0	6,657.0
Number of Lane Km per 1,000 Population	17.0	12.9	10.4	10.7

- It appears that winter services is operating at standard since the majority of major snow events are responded to within 24 hours, additionally operating costs and total costs of the operation per lane Km, benchmark well against other Cities.
- During any mild winter season, crews provided trucking and hauling services leading to a cost avoidance of ~ $257K being reported in favor of contracted out haulage services.
- Through 2020 – 2021 while achieving a median score of 95% success, the branch met KPI targets for Policy Timeline Achievement for various levels of snow accumulation
- Winter leverages technologies such as Campaigner for snow route communications, GIS to locate requests, and ReCollect cloud solution to drive public engagement. We have not seen the application of GPS and remote supervision (for example) to help drive productivity/provide proof of work and monitor delivery to employment and contractual terms and time standards.

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Service profile – Roadways: Asphalt

It is not possible to confirm whether the branch is operating at standard given the lack of any KPIs in place to measure compliance and performance

Information

KPIs	• We have not been able to obtain productivity/efficiency KPIs on this aspect of the operation
Technology	• Generation 3 & Remote Client (asphalt batch processing, transaction processing and reporting), AXIS (cameras), and Interact (weight scale technology)

Performance and Benchmarking

	Regina (250k pop.)	Calgary (1.6m pop.)	Windsor (335k pop.)	Winnipeg (808k pop.)
Total Cost for Paved Roads per Paved Lane Km (Hard Top) ($)	8,992.0	6,625.0	12,417.0	11,027.0
Number of Lane Km per 1,000 Population	17.0	12.9	10.4	10.7
Vehicle Km Traveled per Lane Km (K)	476.0	650.0	1,014.0	819.0

- Given the lack of KPIs, we completed an on-site review of the plant operation directly in order to determine how well the asphalt plant was operating.
- There are no benchmarks available to allow us to compare the asphalt services with other municipally-held plants or services directly; however, the data above suggest that as a proxy, the total cost for paved roads per paved lane Km fall within the range compared to other municipalities. KPI performance and managerial controls are unclear since we have seen no KPIs that are used to manage the asphalt production and distribution.
- Other municipalities have reduced operating costs for paved roads with better utilization of hot asphalt equipment along the roads.
- Asphalt has deployed technologies such as Generation 3 & Remote Client for asphalt batch processing, transaction processing and reporting. We have not seen the application of GPS and remote supervision (for example) to help drive productivity/provide proof of work and monitor delivery to employment and contractual terms and time standards.

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Service profile – Roadways: Paved Alleys

It is not possible to confirm whether the branch is operating at standard given the lack of any KPIs in place to measure compliance and performance

Information

KPIs	• We have not been able to obtain productivity/efficiency KPIs on this aspect of the operation
Technology	• Oracle WAM, Orbidder, Sharepoint, Microsoft Project and GIS

Performance and Benchmarking

	Regina	Calgary	Windsor	Winnipeg
Op Cost for P, U & Win. Co./Lane Km ($)	6,611.0	5,349.0	5,330.0	8,515.0
Total Cost for P, U & Win. Co./Lane Km ($)	11,138.0	9,793.0	4,850.0	15,777.0
Op Cost for U Roads /Un. Pav. Lane Km ($)	10,748.0	15,437.0	276.0	11,537.0

- There are no specific benchmarks available to help confirm how well this aspect is run and how it compares with other municipalities; benchmarking data are generally combined with other aspects of the Roadways' operation.
- The lack of KPIs data makes it difficult to determine how well paved alleys' work is managed and controlled. The paved alley service is currently funded through a Special Tax on properties (with abutting rear alleys) with revenues collected providing 100% of the operating and maintenance funds dedicated to the Alley Maintenance Program.
- The current levy rate for paved alleys is $3.9/ft.
- There is reconstruction of approximately 3.3% (5.7 km) each year to accomplish a 30-year cycle of the program.
- The Paved alley program also delivers other services such as sweeping , asphalt and winter maintenance
- Technologies used include: Oracle WAM for Work Orders; Cost management; detailed timesheets for cost allocations and billing and Orbidder for Tenders and contract management. We have not seen the application of GPS and remote supervision (for example) to help drive productivity/provide proof of work and monitor delivery to employment and contractual terms and time standards.

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Service profile – Roadways: Concrete

It is not possible to confirm whether the branch is operating at standard given the lack of any KPIs in place to measure compliance and performance

Information

KPIs	• We have not been able to obtain productivity/efficiency KPIs on this aspect of the operation
Technology	• GIS, Microsoft Project, and Crystal Reports

Performance and Benchmarking

	Regina	Calgary	Windsor	Winnipeg
% Sidewalks - Condition is Rated Good to Very Good	49.7	All respondents at 76.7		
Kms of Sidewalks per Centre Line Km of Road	1.3	All respondents at 0.8		
Op. Cost - Bridges, Culverts & Viaducts per sq.m Surface Area ($)	35.0	16.0	9.2	18.5

- It appears that the condition of the concrete assets is lagging other municipalities and that the operating costs to maintain the assets are generally considerably greater than for other municipalities.
- In 2020 Concrete implemented a GIS system and workforce planning and reported that the time to complete concrete repairs was substantially reduced by mobilizing equipment and labor crews in smaller concentrated areas as opposed to focusing on completing specific stages of work across larger areas.
- Software such as Microsoft project and Crystal reports are used to manage assets information for example asset information; asset collection; asset locations; condition information; inspections. We have not seen the application of GPS and remote supervision (for example) to help drive productivity/provide proof of work and monitor delivery to employment and contractual terms and time standards.
- Benchmarking suggests that almost half of the current concrete infrastructure is in “Good” or “Very Good” condition which is below the average of 76.5%.

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Service profile – Roadways: Sweep

It is not possible to confirm whether the branch is operating at standard given the lack of any KPIs in place to measure compliance and performance

Information

KPIs	• We have not been able to obtain productivity/efficiency KPIs on this aspect of the operation
Technology	• Crystal Reports, Recollect cloud solution, and BSM Fleet enter/Geotab MyGeotab

Performance and Benchmarking

	Regina	Calgary	Windsor	Winnipeg
Operating Cost for Paved Roads per Paved Lane Km (Hard Top) ($)	4,665.0	2,125.0	2,929.0	2,969.0
Number of Paved Lane KM per capita (total paved lanes/ population) (km/per person)	0.016	0.012	0.010	0.010
Total Cost for Roads - All Functions per Lane Km ($)	18,531.0	15,198.0	22,116.0	30,510.0

- There are no specific benchmarks available to help confirm how well this aspect is run and how it compares with other municipalities; benchmarking data are generally combined with other aspects of the Roadways' operation.
- For Citizen service requests relating to roadways seasonal operations, 63% resolved requests were completed within two days
- Regina sweeps fewer kilometers with a smaller budget than others at $1,670/km compared with the average of $1,472/km.
- KPI performance and managerial controls are unclear since we have seen no KPIs that are used to manage the efficiency of the service.
- The City sweeps every street on a maintained schedule. There is a capital program for work orders but not for driving efficiencies (for example analyzing idling time, fuel usage and time at job site location).
- Sweep utilizes technology such as GIS to locate requests as well as ReCollect cloud solution to use GIS data to drive public engagement of seasonal work. We have not seen the application of GPS and remote supervision (for example) to help drive productivity/provide proof of work and monitor delivery to employment and contractual terms and time standards.

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Service profile – Information Technology (IT): Overview

The department tracks its spending by the following major financial areas: Administration, System Licensing, Business Solutions, Cross Functional Solutions, and Capital Expenditures. An overview of the area follows:

Information Technology - provides support services to City's employees, Council and citizens. They provide account and file management, business systems and software, devices and hardware, storage, network infrastructure, technology training and audio/visual services.

- **Administration** – includes the Directors and support staff. In 2019, the total expenditure was $0.6M against a budget of $0.6M with 4.9 budgeted FTEs.
- **System Licensing** – procurement of software for the entire City. In 2019, the total expenditures were $5.1M compared to a budget of $5.5M. Approximately 85.5% of the total expenditures related to: software maintenance charges of $2.9M (56.9%) and telephone charges of $1.5M (28.3%) with no FTE costs.
- **Business Solutions** – develops applications in-house and provides support for the services offered by vendors. In 2019, the total expenditure was $3.6M with a budget of $3.7M with 38 budgeted FTEs.
- **Cross Functional Solutions** – provides a client support team to help other services' operations, projects, IT supply services, and contract management. In 2019, the total expenditure was $1.3M against a budget of $2.0M with 19 budgeted FTEs.
- **Capital Expenditures** – total was $3.1M against a budget of $0.4M, however, there were internal revenues (chargebacks) of $3.0M within capital expenditures, which decreases overall capital expenditures to $0.1M against a budget of $0.4M with no FTE costs.
- The top 80% of capital expenditures, excluding transfers between capital projects in 2019 were for: computer hardware output devices, $0.7M (38.9%), consulting and/or contracted services, $0.5M (27.8%), and software, $0.3M (16.7%).
- The most recent capital expenditure was for the CityView software, a system that manages the end to end permitting processes for the City.

Service Requests

- From Q3 2020 to Q2 2021, there were a total of 15,335 service requests and incidents.
- Out of the 15,335 service requests, 209 requestors responded to the user satisfaction survey, which is (209/15,335) 1.4%.
- Overall, the average satisfaction rating was 4.6/5 for the 209 completed surveys.

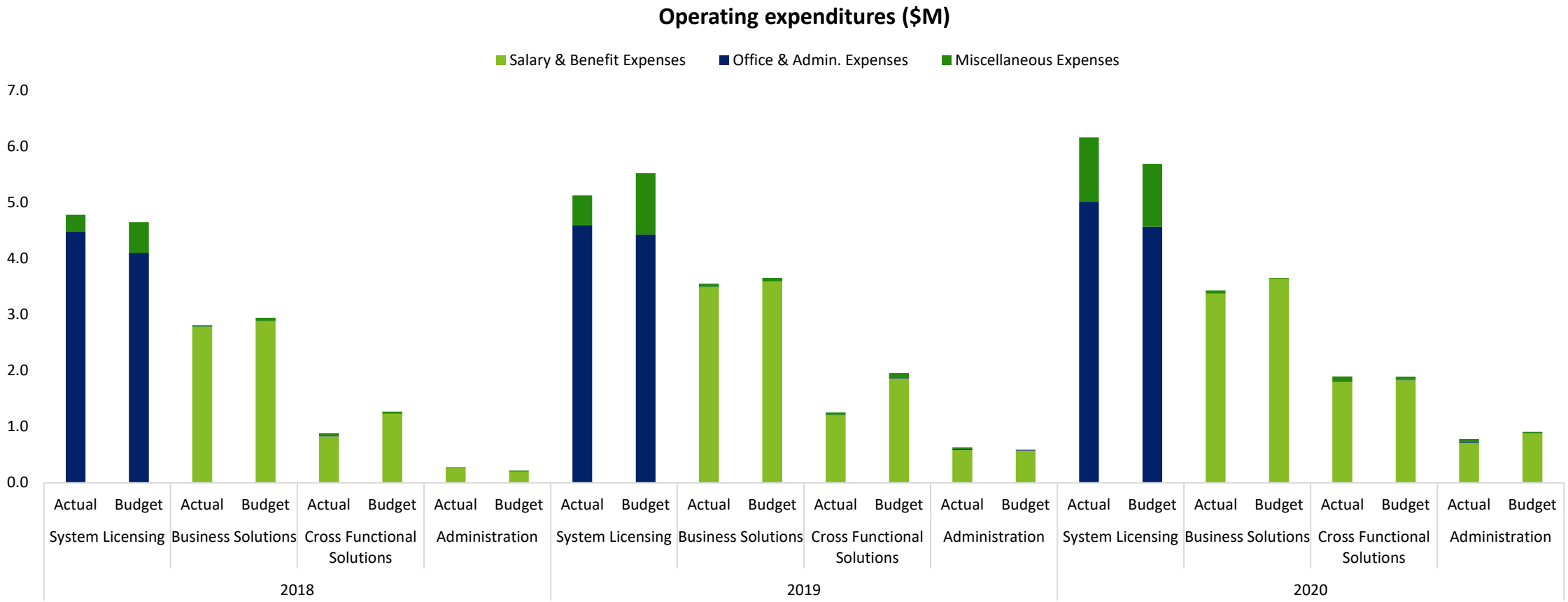
Note - all financial data sourced from the chart on slide 72

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Service profile – Information Technology: Operating budget and actual spending by category

Total operating spend in 2019 was $10.6M vs. $11.7M budgeted.

- In 2019, 80% of the $10.6M actual operating expenditure was $5.2M in salary & benefit expenses (50.0%) and $4.6M in office & administrative expenses (43.7%).



Note – operating costs derived from fund 110.

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Service profile – Information Technology: Summary of work drivers

Financial area	Type	Service level drivers/definitions and commentary		Delivery	2019 Operating budget ($M)	2019 Operating actual ($M)	2019 Operating variance (%)	2019 FTE	Stakeholders
Administration	Internal	Number of IT FTEs, and number of inquiries for IT support	Affected by the corporate and innovation strategy.	City	0.6	0.6	–	4.7	Employees
System Licensing	Internal	Number of system users, system licenses required, and telephone services	Affected by number of systems used, number of licenses and accounts registered and telephone charges	City	5.5	5.1	**7.3**	-	Employees
Business Solutions	Internal	Number of service requests for IT support, hours logged assisting people with IT problems	Affected by the number of IT projects within other departments.	City	3.7	3.6	**2.7**	38.0	Employees and citizens
Cross Functional Solutions	Internal	Number of cross-functional projects	Affected by the number of IT service requests and hours required to assist employees with their IT problems.	City	2.0	1.3	**35.0**	19.0	Employees and citizens
Capital Expenditures	Internal	Approved capital projects	Affected by the planned capital projects which include cybersecurity, transition to SaaS model, IT innovations and new devices/hardware.	City	0.4	0.4	–	–	Employees and citizens
Total					**12.2**	**11.0**	**9.8**	**61.7**	

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Service profile – Information Technology: Technologies used

The technologies listed below are to equip the City with the technology they require to provide services and maintain the City

Top ten IT contracts

Vendor name	Program name
Oracle Canada	E-Busines Suite/E-Business HR/WAM, Budget Hyperion and Technical support
Microsoft Corporation	Enterprise Subscription Enrollment (EAS) – Office 365, Volume Licensing Agreement
CityView	CityView Planning and Building Software
ESRI Canada Ltd	ArcGIS Software Enterprise Licensing Agreement
Workforce software	HR Time and Attendance Solution (EmpCentre)
GIRO Inc	Hastus Transit Scheduling Software
Infor (Canada)	Hansen 8 – CDR and Infor Public Sector Suite
Assetworks Inc	M5 Fleet Management System
Accela Inc.	Legislative Management Software IQM2
Cherwell Software	Cherwell CSM Subscription Licenses

There are 242 contracts for a variety of different software systems that help support the City's services with the top 10 contracts costing $2.8M in actual expenses per year.

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Service profile – Information Technology: MBNC benchmarking

Results (2019)

	Regina	Calgary	Windsor	Winnipeg
Number of Visitor Sessions to Municipal Website per Capita	8.9	17.3	5.6	12.6
Operating Cost for Information Technology per Total Supported Municipal FTE ($)	4,233.0	5,936.0	3,665.0	4,883.0
Total Cost for Information Technology per Total Supported Municipal FTE ($)	5,354.0	7,494.0	3,925.0	5,228.0
Number of Information Technology FTE as a Percent of Total Supported Municipal FTE (%)	2.5	2.7	2.3	3.0
Average Hours to Resolve Standard Service Requests	311.0	Average of Municipal Results: 159.2		
Average Hours to Resolve Incidents	233.0	Average of Municipal Results: 133.3		
Number of Open Data Sets	22.0	295.0	93.0	141.0
Number of Information Technology Devices per Total Supported Municipal FTE	1.1	1.3	1.0	1.0
Laptops/Tablets as a percent of Total Supported Municipal FTE (%)	37.1	47.6	22.8	18.4

Compared to peers, the City sits within the middle of the group for many of the areas surveyed.

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Service profile – Information Technology: System licensing, business solutions, cross functional solutions and administration financial area

Key performance indicators

KPIs	• Average percent of tickets where response deadline was met was 60.0%. • Average percent tickets where resolution deadline was met was 74.4%. • Requests versus incidents are tracked separately for number of days to respond • The abandon rate of service desk calls on average was 9.2% against a target of 5%. • IET metrics show metrics tracked by IT • Employee experience monitor - show employee satisfaction

Performance and Benchmarking

	Regina	Calgary	Windsor	Winnipeg
IT Applications Suite - Satisfaction of End User Summary (%)	79.0	Result is a peer group average – 75.0		
Department Technology Enablement – Satisfaction of End User Summary (%)	71.0	Result is a peer group average – 69.0		
IT Services – Satisfaction of End User Summary (%)	78.0	Result is a peer group average – 74.0		
IT Communications – Satisfaction of End User Summary (%)	78.0	Result is a peer group average – 74.0		
IT Agility – Satisfaction of End User Summary (%)	73.0	Result is a peer group average – 70.0		
Service Desk Effectiveness – Satisfaction of End User Summary (%)	81.0	Result is a peer group average – 79.0		
Service Desk Timeliness – Satisfaction of End User Summary (%)	79.0	Result is a peer group average – 78.0		
IT Professionalism - Satisfaction of End User Summary (%)	79.0	Result is a peer group average – 75.0		

Compared to the peer group, the City scored higher in all areas stated in the performance and benchmarking table.

[1]Benchmarking data was created by the Info-Tech Research Group in 2018 and compares the City to 66 other municipalities within the 'Public Admin' sector, specifically the 'Executive, Legislative, and other general government support' sub-sector.

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Service profile – Information Technology: Services offered

Theses are the services provided by IT based on their service catalogue:

Service	Description
Account and file management	• Management of files and folder access, network and email access, onboarding, and internal transfers
Business systems and software	• Implementation of business systems, cloud/hosted solutions, data services and desktop software from the vendor to the integration stage including ongoing support.
Desktops, laptops and monitors	• Purchase, lease and lend hardware and related features.
Mobile device and telecommunication	• Procuring of mobile devices, providing network infrastructure and training if necessary.
Printers and scanners	• Installation, setup, troubleshooting and ongoing maintenance of equipment.
Servers, storage and network infrastructure	• Server creation, maintenance, support, storage, backup, recovery options • and security of the corporate network.
Audio/visual services	• Manages and supports the audio/visual equipment in the meeting rooms.
Other services	• Technology training that is offered to City employees

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Appendix B

Validated list of opportunities

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Initial validated opportunities by service

Below are the 53 validated opportunities that can generate efficiency improvements of approximately $26.9M annually. In order to ensure that time, effort and money are focused, the number of opportunities is prioritized into the top 10, through our prioritization workshop. In this case, we worked with the ELT and selected the most impactful top 14 for focused implementation with annual efficiency improvements of approximately $17.2M.

Foundational

1. Establish a Transformation Office
2. Implementation of a modern Customer Relationship Management (CRM) system
3. Clarify service definitions

Parks

4. Manage Citizen requests
5. Outsource areas of park maintenance
6. Improve irrigation
7. Optimize maintenance schedules
8. Outsourcing pruning analysis
9. Reduce the size of pruning crew
10. Schedule and deploy Parks resources more effectively
11. GIS/GPS analysis
12. Define and apply key performance indicators (KPIs)
13. Seasonal employee organization structure
14. Maintenance of new parks
15. Location of subdepots and optimizing routing
16. Educate the public on service levels for different parks

Procurement

17. Review operating model
18. Improve procurement approaches
19. Revise procurement contract terms
20. Implement procurement technologies
21. Consolidate low value purchasing
22. Participate in market testing for insource outsource analysis

Fleet

23. Introduce a ratchet to limit asset replacements when budgeting
24. Apply management principles to maintenance
25. Improve the Civic maintenance operation
26. Outsource the work of the shops
27. Improve parts inventory control
28. Increase the scope of Telematics and analyze and act on the data collected
29. Leasing analysis
30. Reduce operator damage to City equipment
31. Relocate training

Facilities

32. Revise long-term contracts
33. Apply KPIs to Maintenance and Operations
34. Introduce power rates on demand
35. Monitor utilities at the City locations and act to reduce usage
36. Outsourcing maintenance
37. Compress space allocations

Roadways

38. Increase asphalt labour productivity
39. Tighten financial controls over 620 fund
40. Modify alley standards
41. Improve scheduling and control
42. Introduce long–term contract and vendor management
43. Change sweep schedules
44. Manage traffic power consumption
45. Change shift patterns
46. Introduce remote salt locations
47. Improve sanding routings
48. Change organizational structure

Information Technology

49. Further apply KPIs
50. Use service request data to drive more self service
51. Improve employee onboarding and offboarding in IT systems
52. Define the IT operating model
53. Shared service model

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Opportunities by service - Foundational

Opportunity name	Opportunity description
Establish a Transformation Office	Develop a Transformation Office to champion a culture of innovation, collaboration and communication to drive efficiency improvements and large-scale transformations throughout the City with the goal of making the City future ready. By working with the services, this office will fill the gap between implementation and adaptation of software systems, and its impact on people, processes, controls and the use of data. The office will be a champion of change management to ensure technology and process changes and their impact are adopted by the service. The Transformation Office needs to be involved in the direction of the technology and plans for the City as part of the IET and Technology Governance Committee as well as being involved in organizational structure decision making. The office would have a forward-looking mindset to deliver outcomes for residents and a commitment to transform and continually improve citizen-facing services and internal operations. Some work in this regard has already begun by the IT department as they have begun to transition the services by creating a second data warehouse to centralize all the data to ensure that it can be used at the corporate level.
Implementation of a modern Customer Relationship Management (CRM) system	The City will benefit from the implementation of a modern Customer Relationship Management (CRM) system. The system has the potential to greatly improve the service that is provided to citizens, resulting in significant efficiencies and greatly improve delivery of customer service. These systems can automate processes, reduce wait times and call times, and improve service levels. They can also significantly advance digital self-serve options, offering a consistent user experience to complete online transactions in an efficient, accessible, easy to use and cost-effective way. A modern CRM system can serve as a customer-listening engine, giving insights that can help to proactively make improvements, spot problems early, and identify gaps. Integrating CRM with work order management and resource scheduling, overall improvements in efficient service delivery should benefit the entire City.
Clarify service definitions	The services provided by City Departments have not been clearly defined in all the Departments that were reviewed. Defining services supports transformational approaches that target strategic change by looking at the whole costs and processes involved in service delivery. A service is a provision of specific outputs that satisfy the needs of clients and contribute to the achievement of program goals. Once the service is defined a full costing or service level budgeting approach can be followed through additional financial tracking (i.e. coding costs to department and to service) to truly reflect the cost of performing the service. It is important to note that a service can cross departments. For example, a service like grass cutting in parks maintenance has an element of facilities, (the sub-depots), fleet (for the trucks, etc. used). These operating services are also supported by Finance, HR, procurement, etc.

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Opportunities by service - Parks

Opportunity name	Opportunity description
Manage Citizen requests	Manage citizen service requests more effectively following the customer services scripts for common problems, requesting video or photo evidence of issues from citizens, using video calls to save travel time, having issues triaged by more junior staff (not a crew), educating citizens on expectations of the Parks services (i.e. boulevard maintenance, pruning schedules, etc.) rather than a live visit by an arborist.
Outsourcing areas of parks maintenance	Outsourcing some areas of park maintenance will help to reduce the hiring and training cycle which may help increase efficiencies that can benefit the long-term staff (rough cutting/forestry pruning/easements).
Improve Irrigation	Perform a study on park irrigation to determine how to optimize the water use i.e. capital spend vs operations time spent on irrigation.
Optimize maintenance schedules	Optimize maintenance schedules to reduce garbage collection, litter pick-up, water utility and grass trimming based on needs.
Outsourcing pruning analysis	Outsourcing the pruning may lead to reduced costs per tree and an increase in efficiencies.
Reduce the size of pruning crew	Building on the pilot study, the City can reduce costs of pruning by transitioning from a two people per truck crew (lyft and chipper -total 4 people) to one truck that pulls a chipper (total 2 people).
Schedule and deploy Parks resources more effectively	Modernizing the deployment, scheduling, and tracking of assets (such as lawnmowers, water trucks, etc.) and their employee resources. Introduce a software tool that includes scheduling, work order time to complete, workflow, time and attendance with KPIs. Change how to deploy resources and make assets/employees more efficient/productive. The City has implemented telematics on some equipment including water trucks, transit as well as other vehicles. They should also continue to implement telematics on equipment and use data obtained to monitor performance. And tie this into the scheduling software. Once implemented in Parks the same software tool could be rolled out to other Departments.
GIS/GPS analysis	Analyze and report on the data that is captured in GIS/GPS to better understand how to increase efficiencies in routing and repetitive tasks, while prioritizing safety of the driver.

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Opportunities by service - Parks (cont'd)

Opportunity name	Opportunity description
Define and apply key performance indicators (KPIs)	The City has not established KPIs for all the services it provides. Through the development and implementation of KPIs, starting with Parks, services can realize increased efficiencies. KPI data is required to be tracked and reported on which may mean changes to current data system. Once implemented for Parks – continue to roll-out KPIs for other service areas.
Seasonal employee organization structure	Review the organization structure of seasonal employees to increase efficiencies. Structuring all seasonal workers under one team will help to increase the utilization of workers through shoulder seasons and with other departments.
Maintenance of new parks	Clearly defining the specs, standards, and accountability of new parks for developers and the City will help ensure that they are sustainable, and that maintenance is affordable. This will help increase efficiencies and reduce the new park mortality rate in trees and shrubs and maintenance complaints by homeowners. Following these best practices will help with the transition: 1. Ensure design specifications for Parks are sustainable and affordable for the City to maintain. 2. As the park is built, the City should do inspections of the planting and work done by the developer to ensure it meets the specifications (depth, soil, etc.). 3. In agreements with developers add warrant cluses for 1-2 years after the City begins maintenance, with the City doing a final inspection one month before the warranty expires. 4. Ensure the public is informed as to the design of the Park from the planning phase to the completion of the park through meetings, website with the park design, drawings of the park around the area and townhalls. The City needs to continue to improve the design, specs and material used within the parks by the developers.
Location of sub-depots and optimizing routing	The City can reduce the time that staff spends in transit moving from one workorder to the next by optimizing the routine and deployment schedules. Technology can be utilized to support this by looking at distances from sub-depots and deploying resources. Process improvements could be implemented along with GIS/GPS data for this as well.
Educate the public on service levels for different parks	Educate the public that there are different levels of service for different classes of Parks in order to reduce service calls/complaints.

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Opportunities by service - Procurement

Opportunity name	Opportunity description
Review operating model	Discuss what the Departments and Services would like from Procurement so that Procurement can configure its offer, operating model and approaches to support the City. Consider: P-Card for low value routine and leverage (Kraljic quadrants) within a Procurement-established framework. Perform analysis on P card use and purchases on a regular basis to ensure proper spending behaviors are followed; low value express procurement-established framework approach and threshold below which City can operate within 3-quote approach to speed up process and reduce procurement involvement (Routine and Leverage Kraljic quadrants) while still driving discounts and bulk purchasing if required; focusing Procurement on Critical and Bottleneck categories, negotiations and contract set up and performance evaluation to focus on driving value and continuity of supply; the operating model will help define how the business and procurement work together, . i.e. how much knowledge does the business need to obtain through course offerings to work with the procurement as business partner. Lastly, designate a procurement champion in the business.
Improve procurement approaches	Introduction of procurement approaches to commodity strategy, vendor, and contract management based on a Kraljic model. (Supply chain management approach - four classes of procurement based on complexity: leverage, strategic, non-critical and bottleneck items). Revise contracts to include performance clauses and discounts and vendor management based on balance of power in relationship/availability of vendors (negotiating RFPs has started in the City). Also, understand the commodities that are purchased by the City and centralize the sourcing and purchasing of them for economies and inventory management (both within the City, and with other levels of government or partners) (Some work has been started by Procurement in this regard, i.e. tires). Increase purchasing partnerships with the Province and other Municipal governments as this will increase the scale of savings seen by buying on volume. Work has been started by procurement in being part of some national purchasing contracts, i.e. Canoe, Kinetic GPO. The City is working on a policy, to include ESG objectives.
Revise procurement contract terms	The Procurement department develops contracts and provides guidance on the clauses. It is the responsibility of the business that signs the contracts to not let the amount billed go over the contract value, to make sure the service levels are met, and to review the vendor's performance. There are opportunities to revise and modernize the terms and conditions in contracts in order to make them more financially beneficial for the City and to support smoother contract negotiations. Negotiated procurements have started at the City and should be expended for further savings. Include performance clauses with penalties to ensure service standards are met by vendors as well as clauses that hold vendors to contracted values for scope of services agreed upon. Contracts can include early payment discounts or if there is a change in scope, a discount structure for change orders/over contract spending. Software that supports better vendor contract management will enhance this opportunity (central contract data base, contract to purchase order (PO) reporting, vendor performance management etc.).

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Opportunities by service - Procurement (cont'd)

Opportunity name	Opportunity description
Implement procurement technologies	Improve the mechanical processes of Procurement by: calendarizing and scheduling services to develop a forward plan to help smooth the load on Procurement and improve performance, including planning in advance of budget approval process; introduce electronic workflows and visualization tools on key lead-time and cost driving processes; implement KPIs (strategy, vendor performance and contractual compliance, lead-times and process compliance); introduce robotic process automation (RPA) where there is a reasonable payback; implement Oracles EBS modules to increase cost efficiencies; data warehousing of procurement data; contract management in the data warehouse; vendor performance management system; designate a procurement champion in each Service.
Consolidate low value purchasing	Perform data analysis on P-Card use and purchases on a regular basis to ensure proper spending behaviors as well as understanding if bulk purchasing, vendor of record, or open purchase orders, could be negotiated. The City has already started analyzing P-Card transactions. Revisit the processes in place for procurements under $75K to gain efficiencies by using vendor of record, open purchase orders, bulk buying, and so on, the City can save money overall. Data analysis of purchases of goods and services for these smaller procurements can also benefit the City by consolidating.
Participate in market testing for insource outsource analysis	Offer a market testing service and analysis to help the Businesses in making informed do/make vs. buy decisions and to support outsourcing decisions to taking back services for the businesses. Continue in assisting businesses with reviewing their outsourcing options.

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Opportunities by service - Fleet

Opportunity name	Opportunity description
Introduce a ratchet to limit asset replacements when budgeting	Introducing a mechanism to drive down the number of assets may result in improved (labor) productivity in the services that use fleet assets. Options could include X for Y replacement (X<Y), sharing trucks within and across services or running an app-based booking system. Such as system would require continual monitoring of fleet usage with a challenge function and detailed examination of requests for additional and replacement fleet assets including introducing hourly usage monitoring on the LV assets. The use of telematics, which is discussed in this report would also be helpful.
Apply management principles to maintenance	Further extending the application of management principles to maintenance may drive greater productivity.
Improve the civic maintenance operation	Applying process improvements and other management principles to the Civic maintenance shops may drive productivity. Based on site visit observations it was noted there were no credible performance standards, controls or KPIs in place to measure and drive productivity. We estimate that the shops should be able to improve productivity by ~ 20-30%. A new manager has been brought in to drive productivity following his success in the improving of the Transit shop and he has plans in place to begin making changes. Oil changes on the Volvo fleet are too frequent, oil changes are costing ~ $250 to complete vs. market rates closer to $75 and tire changes are sometimes almost two hours in duration. Each of these observations also suggest that productivity could be improved considerably. Proceeding direct to outsourcing certain tasks may provide a faster route to realizing savings than making the improvements to the shops.
Outsource the work of the shops	Market testing and outsourcing the work of the shops may lead to improved efficiency.
Improve parts inventory control	Improving control over parts processes and stock may drive down material costs.
Increase the scope telematics, analyze and act on the data collected	Fully implementing telematics and analyzing and acting on the data may drive down the number of units and improve efficiency. Telematics is currently installed on ~ 70 units, but the data generated are not routinely analyzed. Analyzing the fuel costs of each vehicle as recorded and assuming that the maintenance costs are shared equally by each of the assets that consumed fuel during 2019 (970 assets with different rates for Civic and transit) then the net potential annual savings that might be driven by class are as follows: LGT TR = $392K @13%: TRN = $355K @4%: HVY TR = $121K @8%: MED TR = $114K @13%: HVY EQ = $111K @8%: LGT IND = $76K @8%: PARA = $39K @8%: AUTO = $8K @10%: TRN SUP = $2K @8%. The total potential up to $1.2m.
Leasing analysis	Leasing arrangements may prove more efficient than owning the assets for certain classes, but this remains to be confirmed.
Reduce operator damage to city equipment	With a concerted effort to reduce the Operator (i.e. avoidable) damage by 50% overall, the City could reduce its annual expense on avoidable damage by ~ $284K. Holding operators accountable and implementing controls such as incentives or demerit points would help to reduce Operator damage further (possibly up to 80% in the noted high concern areas). Processes would need to be standardized. Senior support would be required for thorough investigations of the incidents and the Incident Review Committee may require a modified role. Line managers would need to support. The introduction of telematics would also support with additional data on each of the units at the time of any accident.
Relocate training	Relocating training, possibly to HR or in the line may drive efficiency.

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Opportunities by service - Facilities

Opportunity name	Opportunity description
Revise long-term contracts	The City could increase its efficiencies by exploring longer term contracts and vendor management with facilities suppliers for greater cost certainty and potentially lower unit prices. There are some instances in the City where multi year contracts are used. Establish longer term vendor relationships would include giving the suppliers more certainty around work and value, for which in return - the city would receive better rates, early payment rates and discounts when they purchase order value goes above the contract value.
Apply KPIs to maintenance and operations	The Service currently uses few KPIs to measure and drive efficiency and productivity outside of the lower value works in the Maintenance function and in Operations. By implementing a suite of productivity KPIs, it may be possible to drive productivity in the Maintenance function.
Introduce power rates on demand	Electricity tariffs are not usually homogeneous and often comprise many different rate spikes in a typical day. By buying electrical power through an AI-enabled service provider, it is often possible to mange the load at times of peak pricing to reduce the overall cost of power. If this is not possible because the rate is fixed, establishing a paid demand response plan with the power provider can often lead to a reduced utility bill.
Monitor utilities use at City locations and act to reduce usage	Monitoring the use of electrical power, gas and water and taking action to reduce it and improve routine maintenance on the associated systems will lead to a reduction in utility costs. The monitoring including adding sensors to HVAC systems and fans, and on temperature, managing system balance and comfort and introducing auto controls often lead to utility costs savings of 10-15% if action is taken to manage consumption and maintain the assets in good condition through the preventive maintenance program. Swopping standard lighting for LEDs often drives 3-6% of the 10-15% of reduced power. A reduction of $380-570K may be possible unless the LED lighting swop out has already been completed, in which case the range might be $200-400K assuming that all facilities were monitored, however monitoring all facilities would probably not be an economical option. Under the assumption that 90% of the buildings have already been retrofitted with LED/T8 lighting and that 80% of the utility consumption can now be monitored and that the work will be put in place to reduce the usage of water, power and gas the efficiency improvement might be up to $210-280K. The City has begun to monitor the performance of 50 assets and intends to monitor all future assets as they come online. And so, this activity is underway.
Outsourcing maintenance	The City could reduce the costs of maintenance and operations by outsourcing certain activities.
Compress space allocations	The space allocation policy is currently 200 sqft/employee. It may be possible to reduce the allocation and so reconfigure the space and close and monetize surplus assets. This could be supported by the introduction of a space sharing and controlled remote working policy.

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Opportunities by service - Roadways

Opportunity name	Opportunity description
Increase asphalt labour productivity	It may be possible to drive asphalt (labor) productivity.
Tighten financial controls over 620 fund	The 620 fund has less stringent financial controls than the 110 and other funds and by putting scrutiny to the individual activities charged to it, efficiencies can be identified. E.g. What Percentage of Overtime is present in 620 fund work? Can the City hire more casuals to reduce overtime. 25% of overtime is excessive. 10% overtime is a realistic goal.
Modify alley standards	The back-alley renewal cycle is providing too high a level of service when there are other more pressing infrastructure needs.
Improve scheduling and control	The City could increase efficiency by improving the manner in which it schedules, and controls work, improving work sequencing and scheduling techniques to increase throughput and reduce downtime and increase efficiencies to reduce equipment usage. This could include deploying GPS, camera technology and remote supervisory tools for supervision and to address issues during the working day. It would also include developing time standards and associated productivity and efficiency KPIs and measures and controls.
Introduce long–term contract and vendor management	The City could increase its efficiencies by exploring longer term contracts and vendor management with construction suppliers for greater cost certainty and potentially lower unit prices. There are some instances in the City where multi year contracts are used. Establish longer term vendor relationships would include giving the suppliers more certainty around work and value, for which in return - the city would receive better rates, early payment rates and discounts when they purchase order value goes above the contract value.
Change sweeping schedules	The City can realize efficiencies by optimizing the sweeping fleet. For instance, reviewing the pace and tempo of the Sweep might allow for less units at a minimal drop-in service for citizens. The City could realize efficiencies by maximizing the mix of labour for the high intensity spring sweep (Permanent, Casual, Other department). Measures and work standards and KPIs would also be required.
Manage traffic power consumption	The City may be able to reduce the total cost of powering street lighting/luminaries (and the associated Carbon footprint) by incorporating AI / Smart devices to turn some streetlights off at a predetermined time to reduce costs. Efficiencies in place now will avoid long term costs related to Carbon consumption.

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Opportunities by service – Roadways (cont'd)

Opportunity name	Opportunity description
Change shift patterns	By implementing different shift patterns for Winter Maintenance, the City could reduce its reliance on overtime and improve the overall efficiency of the operations.
Improve sanding routing	Increase efficiencies in Winter Sanding by optimizing sander routes based on various required responses. For example, based on a particular storm event, management could decide to deploy a '6 Sander Event' and the routing would be designed and sent to the Sander Operators to follow the optimized route. For a '10 Sander Event', the routes would be smaller/shorter with less cycle time and higher coverage.
Introduce remote salt locations	Increase efficiencies in Winter Sanding by deploying remote salt/sand sites to reduce downtime (deadhead time) for sanders. Currently all the sanders go back to the yard to fill up.
Change organization structure	There is a possibility of combining similar operational work groups to consolidate staff and create management resources for performance management activities to help drive performance.

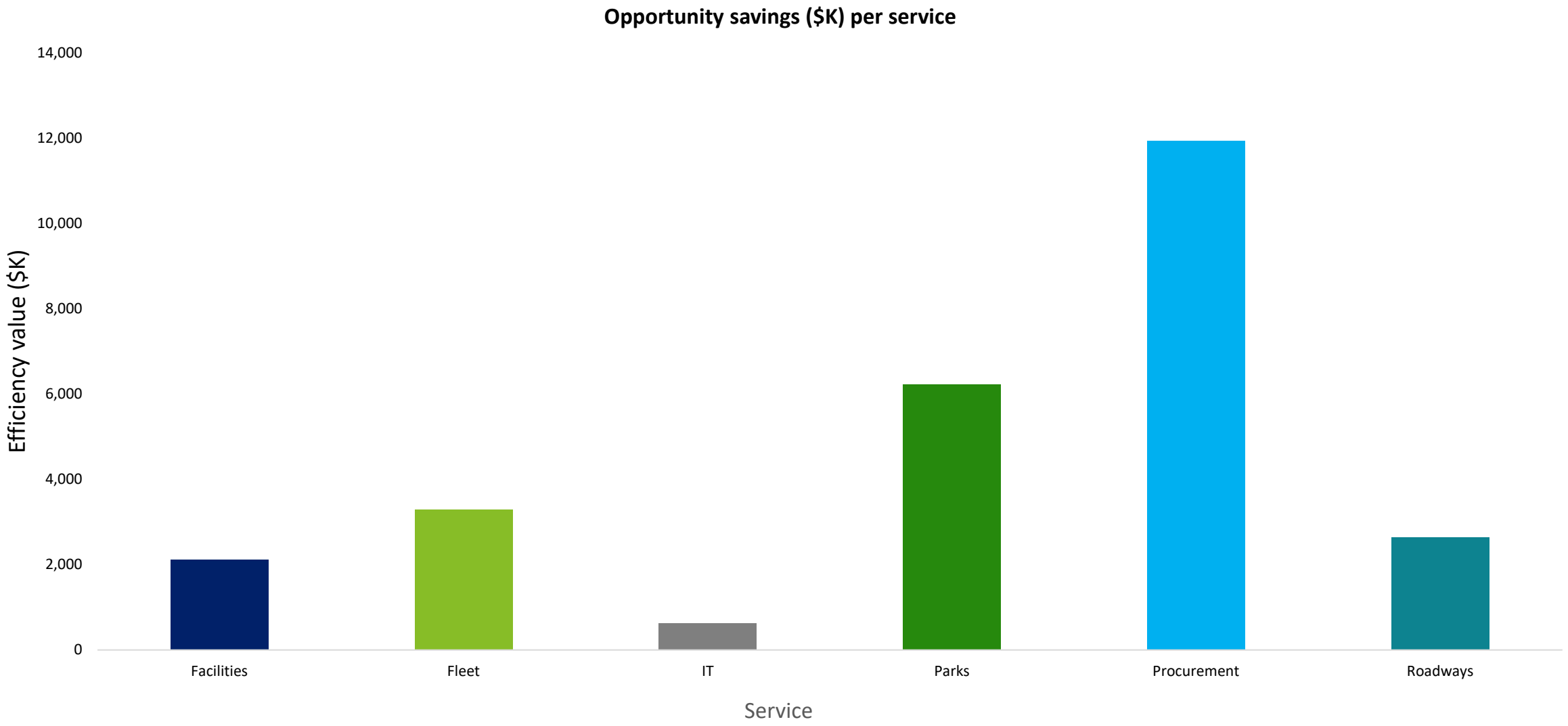
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Opportunities by service – Information Technology

Opportunity name	Opportunity description
Further apply KPIs	All KPIs should be designed to be true performance measures that are used to encourage better performance of services. The current KPIs should be adjusted to have targets and reflect a measurement of IT performance. This should reduce overall IT service costs. (For example, tracking the total number of devices supported is a metric and not a KPI as it does not reflect the performance of IT.) The total number is reflective of the total number of employees requiring devices which isn't controlled by IT.
Use service request data to drive more self service	IT service requests - The Cherwell software has helped the City a great deal in reducing IT service requests. This recommendation addresses supporting requestors to perform more self-service. Ideas for improvement on self-service include providing more FAQs, increasing the linkage between the training portal and Cherwell software (and having these pop up earlier in the users' experience - i.e., prior to filling out a ticket), encourage ticket use by discouraging walk-ins and calls (where applicable), educating users on when the request does not meet an IT response, or where they can find the information themselves next time. Utilize data from tickets to provide more FAQs and self-service. Look at tracking KPIs on self-serve use in the portal. Improve survey responses by providing incentive to complete survey.
Improve employee onboarding and offboarding in IT systems	With a seasonal flow of onboarding and offboarding requiring a significant amount of work for a short period of time due to the current program and process being used. When the service hires a casual, the service should indicate what accounts the casual needs access to in their initial dealing with HR. When the employee onboards with HR all signoff should be completed. The Cherwell automated download would need to be updated to receive all this information (or a start to understand that an employee only needs an AD account). As well, as part of HR onboarding, a seasonal worker can be tagged as such so that the systems can disable this employee profile but not lose the set-up so that they can be reinstated the following season. After two years of dormancy, the profile could then be deleted.
Define the IT operating model	It is recommended that the IT group continues to define their operating model. An operating model discusses how IT works with the businesses they support and what role they play in that support. IT could be supported to help the operations of technology or be more involved in the businesses strategy and supporting the implementation of that strategy. An operating model focuses on how IT interacts as a business partner with the City. This will help to clarify the roles and responsibilities of all when IT works with other services to ensure that each department understands everyone's' roles and responsibilities. This will be complimented by the Transformation Office and their planning and support.
Shared service model	Expand IT support to independent City services including Economic Development, Tourism, Exhibition Association, Public Library, Police Service (RPS), REAL and other independently run city service departments.

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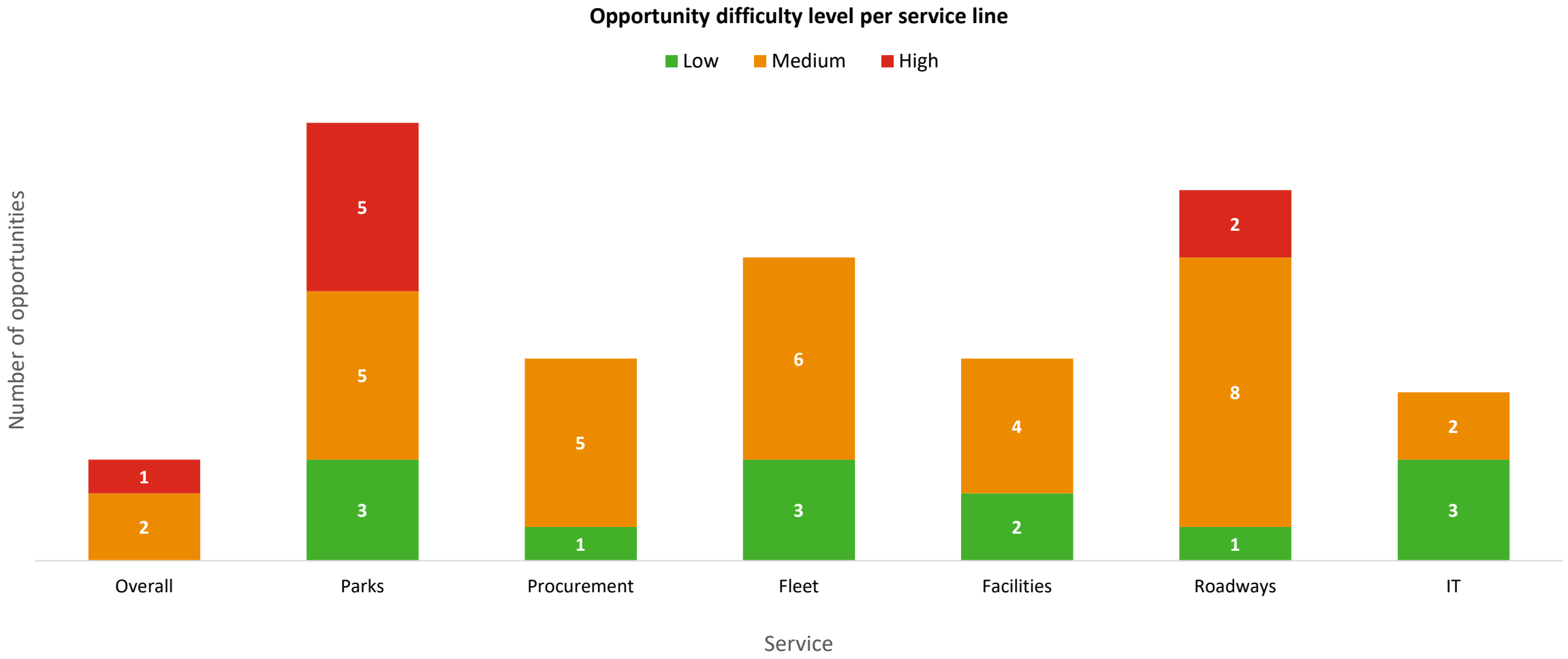
Summary of validated opportunities – total identified potential savings



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Summary of validated opportunities – totals by service

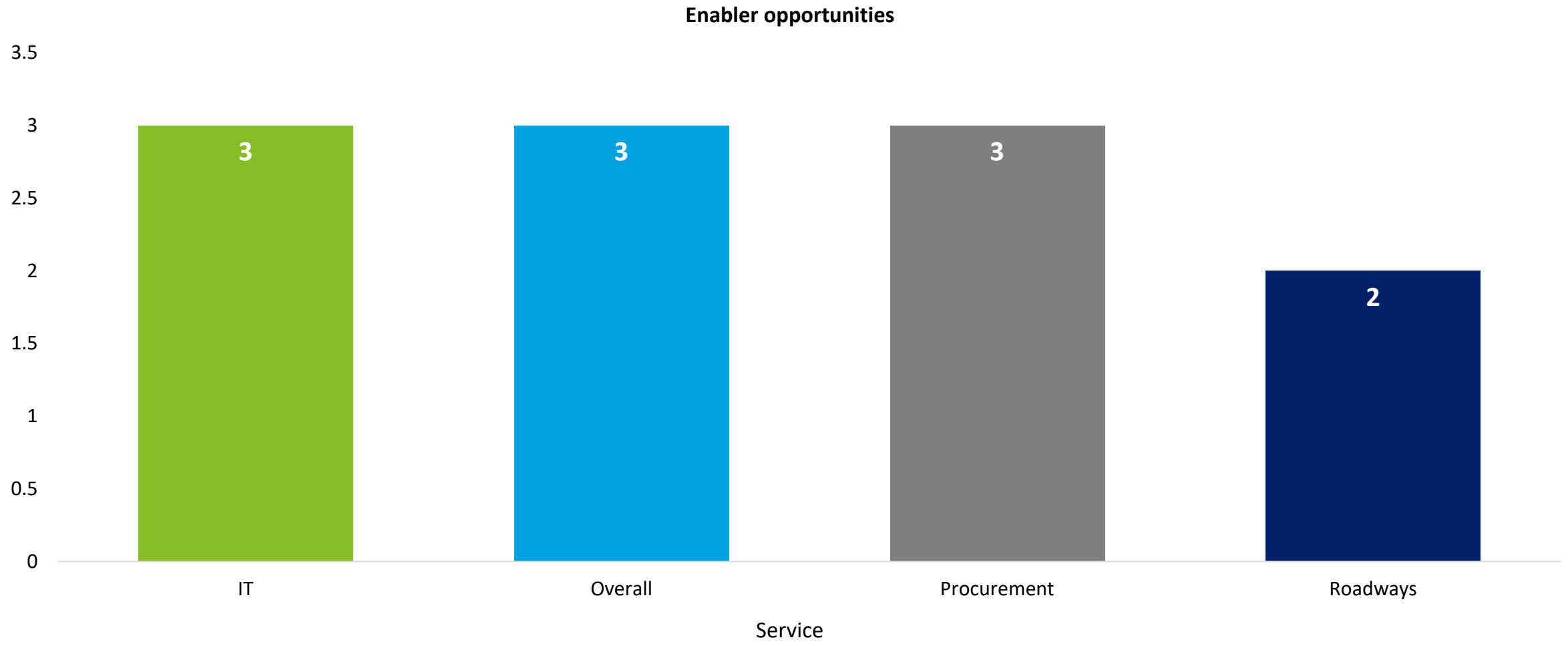
Looking at the difficulty of implementing each opportunity there are 13 that have a low level of difficulty (that we consider quick wins), 32 that have a medium level of difficulty, and eight that have a high level of difficulty.



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Summary of validated opportunities – totals by service

An enabler opportunity is one that is helpful in improving the efficiencies within the service, but the efficiency of the opportunity is not quantifiable. There is a total of 11 what we term enabler opportunities.



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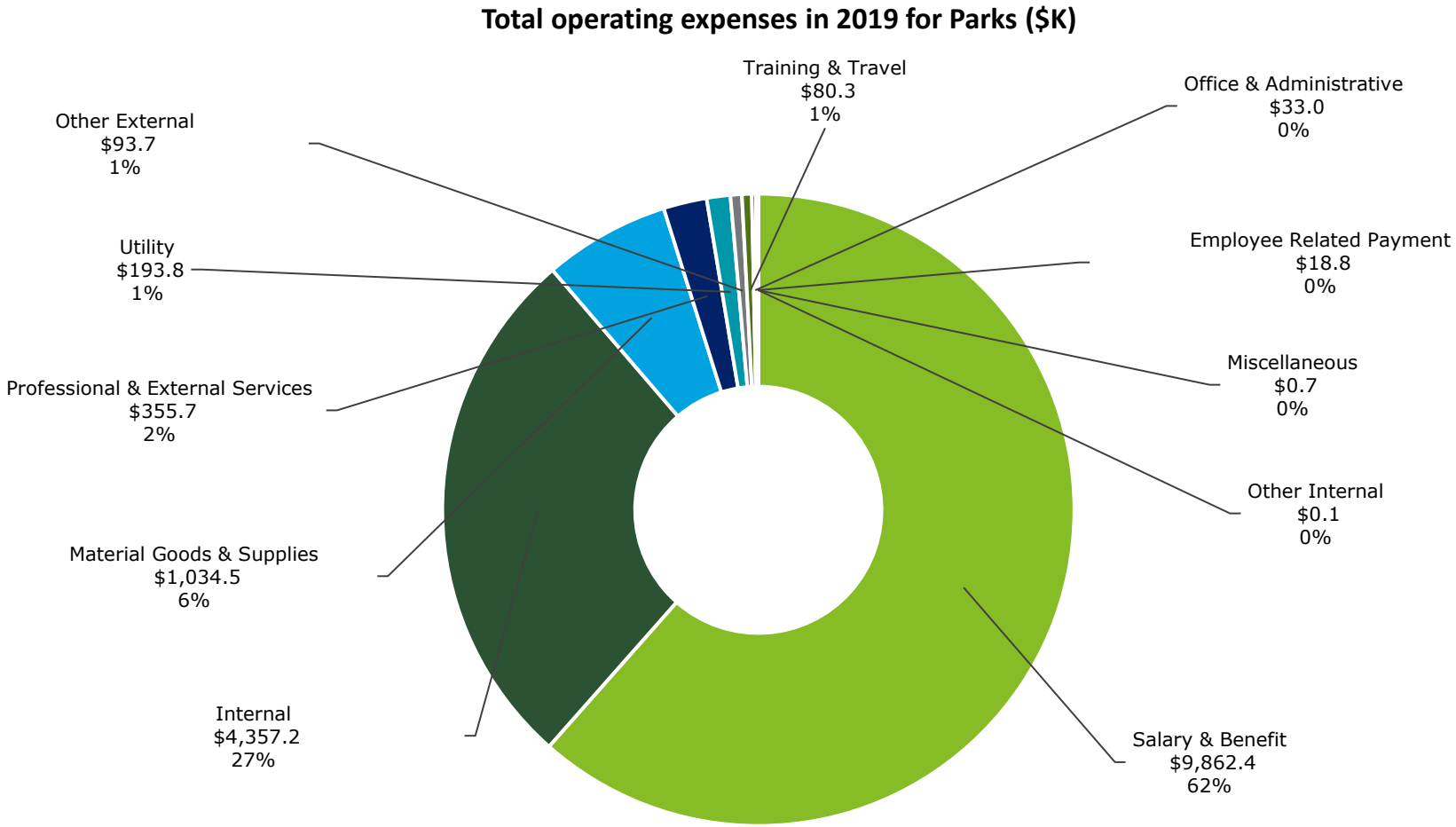
Appendix C

The financial baselines by service

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Financial baseline – By type of expense: Parks

The chart below provides a visualization of actual operating expenditures from 2019 for the Parks department. Total operating spend in 2019 was $16M and total capital spend was $1.3M.

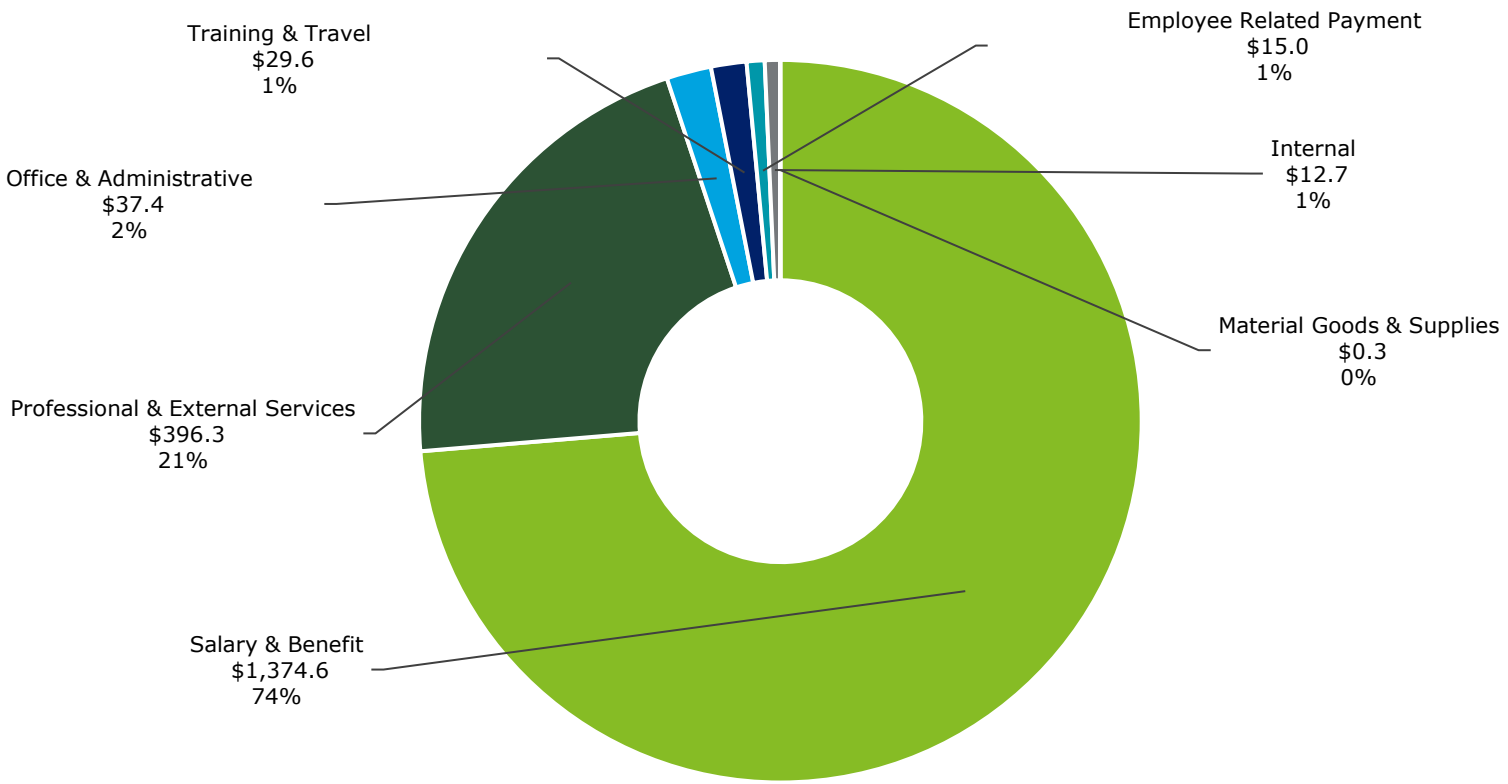


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Financial baseline – By type of expense: Procurement

The chart below provides a visualization of actual operating expenditures from 2019 for the Procurement department. Total operating spend in 2019 was $1.9M.

Total operating expenses in 2019 for Procurement ($K)



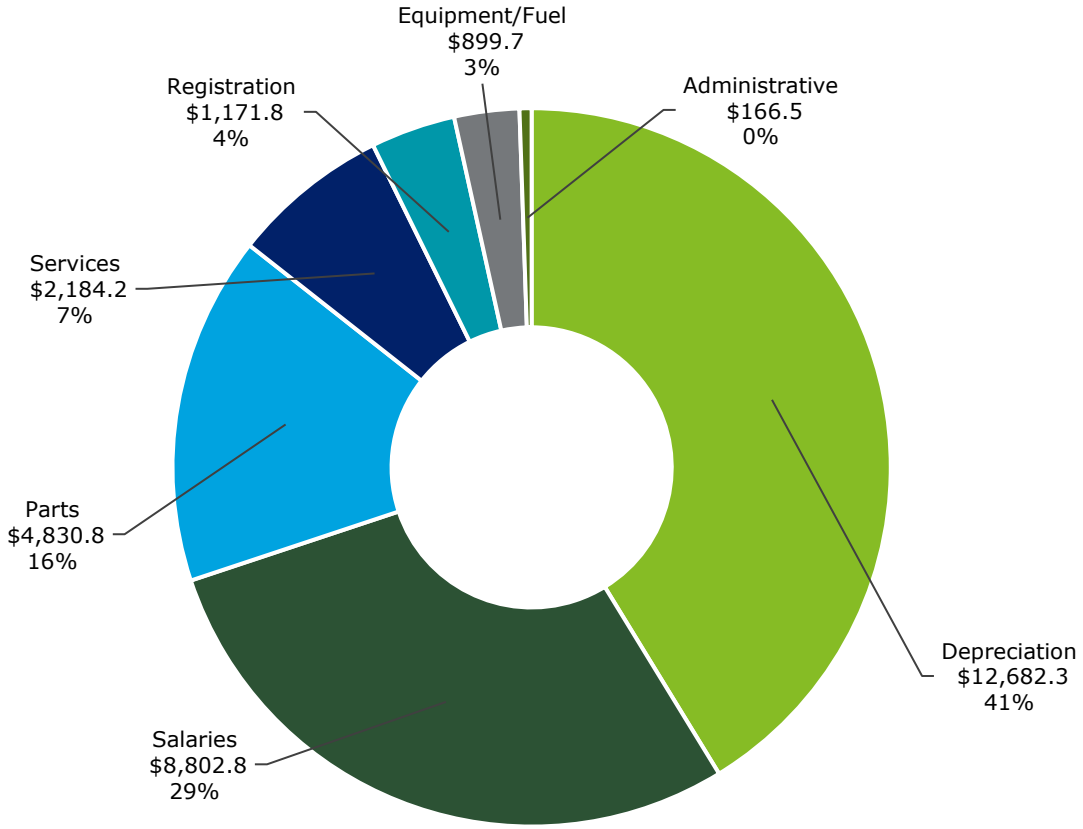
*Procurements, in 2019, awarded operating and capital worth $299.4M.

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Financial baseline – By type of expense: Fleet

The chart below provides a visualization of actual operating expenditures from 2019 for the Fleet department. Total operating spend in 2021 was $30.7M and total capital spend was $12.7M.

Total operating expenses in 2019 for Fleet ($K)

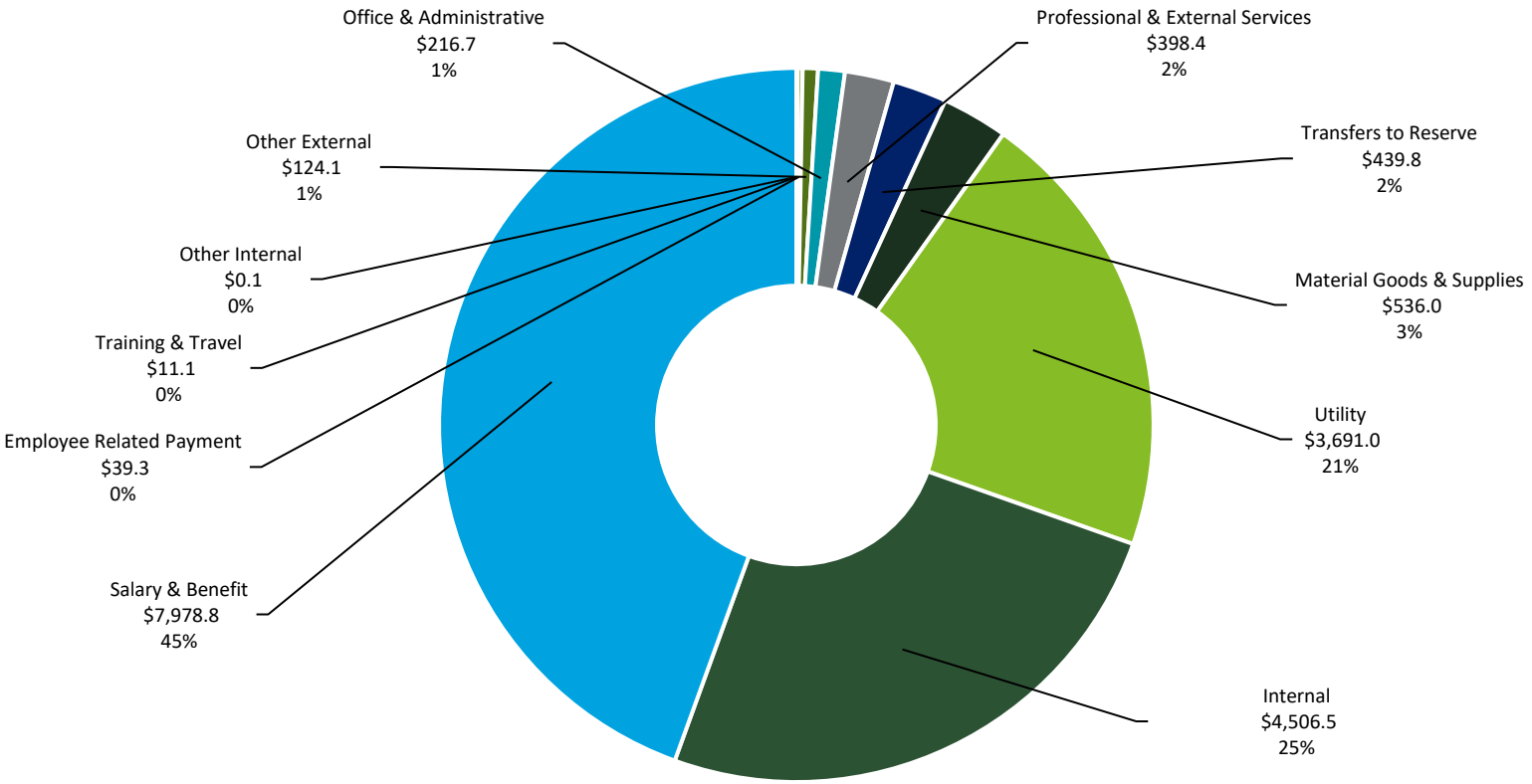


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Financial baseline – By type of expense: Facilities

The chart below provides a visualization of actual operating expenditures from 2019 for the Facilities department. Total operating spend in 2019 was $18.1M and total capital spend was $69.1M.

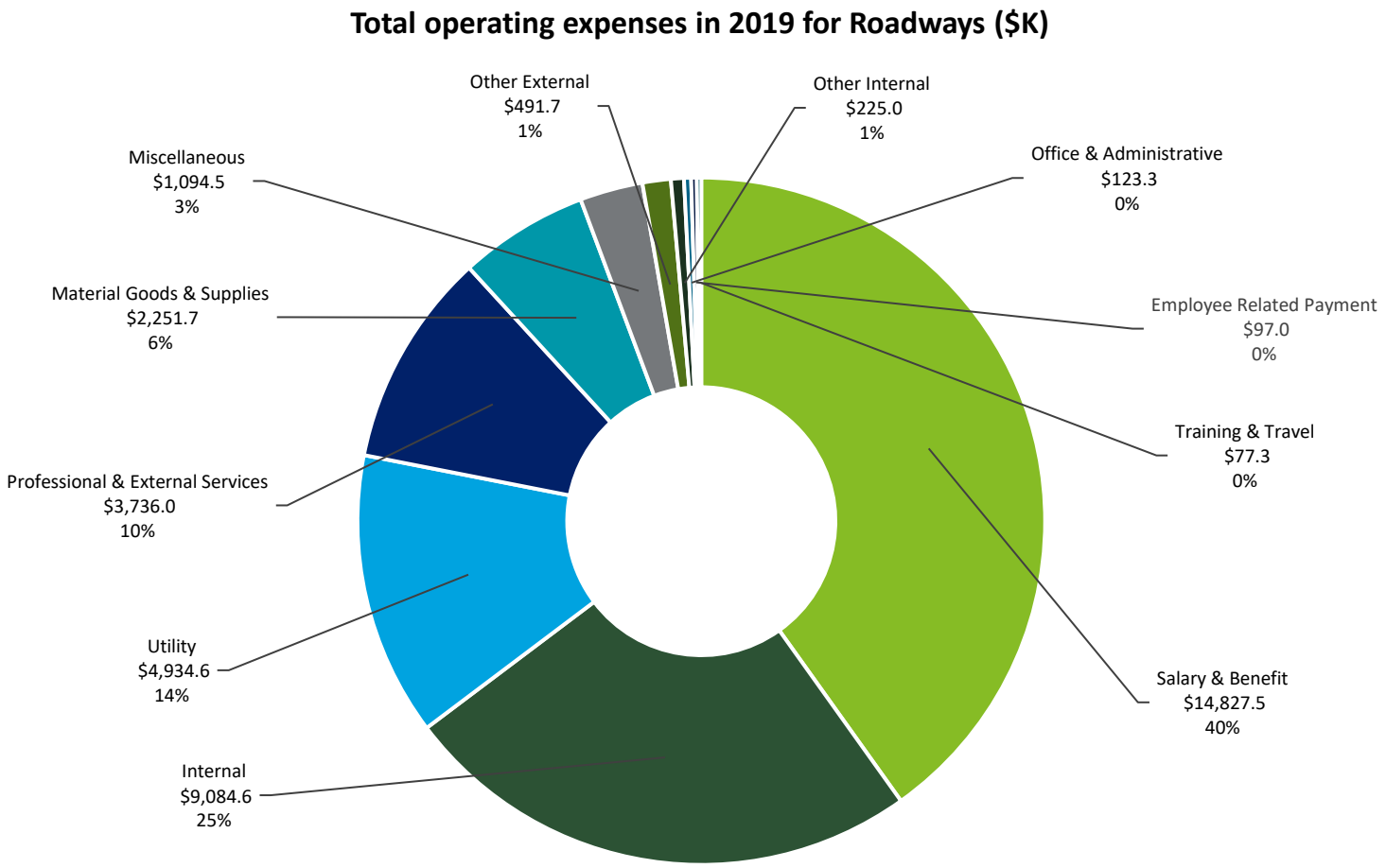
Total operating expenses in 2019 for Facilities ($K)



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Financial baseline – By type of expense: Roadways

The chart below provides a visualization of actual operating expenditures from 2019 for the Roadways department. Total operating spend in 2019 was $36.9M and total capital spend was $49.2M.

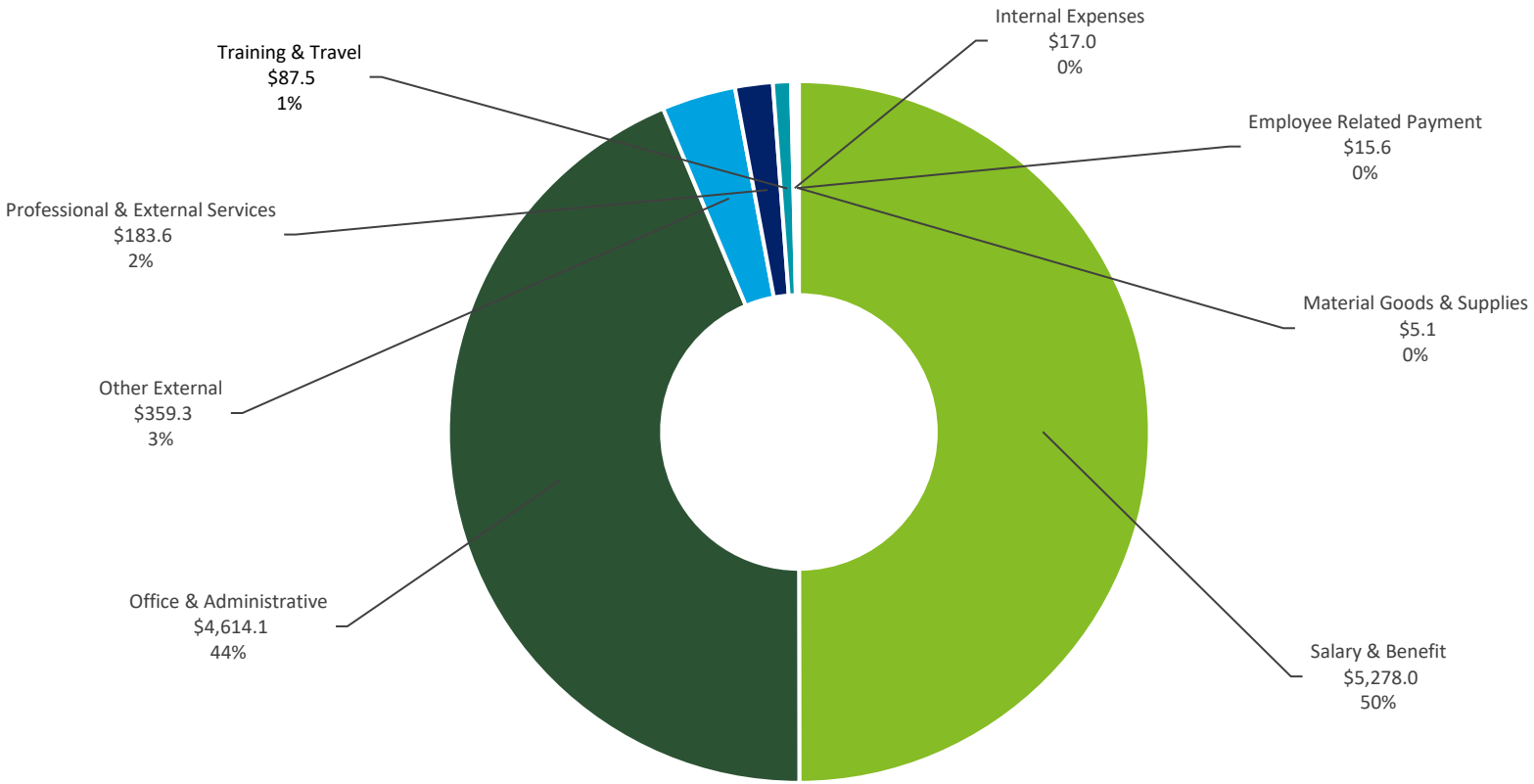


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Financial baseline – By type of expense: Information Technology

The chart below provides a visualization of actual operating expenditures from 2019 for the Information Technology department. Total operating spend in 2019 was $10.6M and total capital spend was $3.1M.

Total operating expenses in 2019 for Information technology ($K)



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