



## Shared Services Project Update – City Report

<b>Date:</b>	June 23, 2014
<b>To:</b>	Toronto Public Library Board
<b>From:</b>	City Librarian

### **SUMMARY**

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

The report from the Deputy City Manager & Chief Financial Officer is scheduled to be considered by the Executive Committee meeting of July 2, 2014.

### **FINANCIAL IMPACT**

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

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

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

### **DECISION HISTORY**

The Shared Services Study was conducted by the City Manager at the request of City Council. The Deputy City Manager & Chief Financial Officer's report about the *Shared Services Project Update* (Attachment 1, page 3) provides the decision history for this initiative at the City of Toronto.

At the Library Board meeting on September 23, 2013, there was a report about the *Results of City's Shared Services Study*. The Board report included as an attachment, a City report entitled *Results of the Shared Services Study – City Agencies*. A presentation about the City's report was made by the following City staff: Rob Rossini, Deputy City Manager & Chief Financial Officer; Bruce Anderson, Executive Director, Human Resources; and Robert Reynolds, Director, Employee & Labour Relations.

The Board approved at its September 23, 2013 meeting the following two (2) motions that:

1. *endorses the following principles for the Library's participation in shared services discussions:*
  - i. *that Board governance and authority be recognized;*
  - ii. *that implementation of the shared services programs be cost neutral to the Board and provide a return on investment;*
  - iii. *that Toronto Public Library have on-going participation in the planning and implementation of applicable shared services programs and there be on-going reporting back to the Board; and*
  - iv. *that Toronto Public Library maintain control over the collective bargaining function while continuing to work collaboratively with the City; and*
2. *requests the City Librarian to report to the January 2014 meeting with an update on the shared services discussions with the City.*

At its meeting on January 20, 2014, the Board received for information a report entitled *Shared Services – Discussions with the City*.

## **ISSUE BACKGROUND**

The City Manager wrote to the City Librarian in June 2012 to advise that City Council had directed the City Manager to undertake a study to examine the opportunities to increase shared services in some common services and functions at the City and its agencies. The stated objective of the Shared Services Study was to reduce costs, increase service efficiency and effectiveness, and improve customer service. The City of Toronto retained the consulting firm, KPMG, to undertake the study of shared services opportunities.

The Shared Services Study included City Divisions and six (6) agencies: Exhibition Place; Toronto Parking Authority; Toronto Police Services; Toronto Transit Commission; Toronto Public Health; and Toronto Public Library.

The study examined opportunities for shared services in eight (8) functional areas: human resources/labour relations; information technology; internal audit; insurance and risk

management; legal services; purchasing and materials management; records management; and real estate services.

Management staff at TPL participated in the shared services study conducted by KPMG in 2012 and 2013; and TPL continues to participate in discussions about shared services opportunities with City divisions and other agencies.

## COMMENTS

The *Shared Services Project Update* reports on the status of all shared services projects; and identifies the City divisions and agencies that are participating in the individual projects, including Toronto Public Library.

The City report outlines an expanded scope for the shared services project in three functions: Fleet Services; Facilities Management; and I&T Contract Management. In regard to Fleet Services and Facilities Management, there are existing committees on which TPL has representatives. At this time, TPL is not a participant on the I&T Contract Management project. The expanded scope also includes two (2) new centres of excellence: Internal Audit; and Real Estate. It is not expected that the two new centres of excellence will impact TPL. To summarize, the initiatives announced under the expanded scope do not have immediate impacts for TPL, but may have impacts in the future.

The City report also reviews the existing shared services activities of the City and its agencies, including TPL (See Attachment 1, pages 5 and 6).

TPL's involvement in the current shared services projects is in the following three (3) areas:

- i. Executive Steering Committee (see Attachment 1, page 4): the Steering Committee provides leadership and strategic direction for shared services projects. The City Librarian is a member of the Steering Committee.
- ii. Shared Services Project Team (See Attachment 1, page 4): the Team provides support to the Working Groups and is the liaison to the Steering Committee. TPL staff have met with the Project Team and provided information and feedback, as requested.
- iii. Working Groups: Working Groups have been established that are comprised of staff from City divisions and the agencies. The role of the Groups is to assess the feasibility and value of shared services opportunities within individual functional areas.

TPL is participating in Working Groups in seven (7) functional areas, and may become involved in an eighth area depending on the City's recommendations based on some preliminary work. The City's *Update* outlines the activities of each working group by functional area; and a page number is given for each function area linking it to the *Update* information. The functional areas in which TPL participates are:

- a. Develop a City-wide labour relations strategy (*Update*, page 19): TPL participates in the working group, with the City and other agencies. The discussions are mindful of the governance structure at TPL, and other agencies. A corporate strategy has not been developed. Meetings are ongoing.
- b. Share Generic Training and Learning Functions (*Update*, page 12): Meetings are ongoing to discuss opportunities and best practices.
- c. Coordinate and Standardize Common Health and Safety Functions (*Update* page 13): Meetings are ongoing to discuss opportunities and best practices.
- d. Share common information technology infrastructure (*Update*, page 23): Meetings are ongoing to discuss opportunities and best practices.
- e. Rationalize information technology application (*Update*, page 24): Meetings are ongoing to discuss opportunities and best practices.
- f. Share procurement of common goods and services and implement strategic sourcing (*Update*, page 21): Meetings are ongoing to discuss opportunities and best practices.
- g. Enhance the Use of the City's Internal Audit Division by agencies that do not have their own Internal Audit Resources (*Update*, page 13): Meetings are ongoing to discuss opportunities and best practices.
- h. Provide the City's on-line submission application for Freedom of Information (FOI) requests to interested agencies when it becomes available (*Update*, page 16): The City is developing an online FOI application system which will give the public an on-line option of applying and paying the application fee for FOI requests. Once the product is available, TPL will investigate the opportunity to use it.

As the working groups proceed with their investigations of the feasibility and value of individual projects, TPL also will consider and assess the full-range of impacts that may result from participation in shared services opportunities. There may be impacts in areas of policy, such as the Fair Wage Policy, and in the areas of practices, such as the regulations governing capital works. Also, cost saving and other related benefits will be dependent on the viability of the opportunities, and TPL will evaluate and report out on these matters to the Board.

### Next Steps

TPL will continue to participate in the Executive Steering Committee and the Working Groups in the current functional areas.

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

## **CONTACT**

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## **SIGNATURE**

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Jane Pyper  
City Librarian

## **ATTACHMENTS**

Attachment 1: *Shared Services Project Update*