

Shared Services Project

Update to the
Toronto Public Library Board
September 21, 2015



Agenda

- Background
- Update
- Benefits Achieved
- Questions

Background

What is the Shared Services Project?

- Aims to reduce duplication between the Agencies and the City
- Goals:
 - Cost savings
 - Service Improvements

2012 Shared Services Study

KPMG performed Shared Services Study

2013 18 Recommendations

approved by City Council

considered by the Public Library Board

2014 Project Started

project team created

executive steering committee formed

15 working groups formed

update provided to Council

update provided to the Public Library Board



Exhibition Place



Toronto Community Housing



Shared Services Project

Insurance
Facilities Management
Fleet Services
Human Resources
Information Management
Information Technology
Materials Management
Pension & Payroll Administration
Purchasing
Real Estate Services
Internal Audit



Shared Services Project

KPMG Recommendations

1. Estimated \$65M in annual savings
 - \$47M in Labour Relations
 - \$10M in Strategic Sourcing
 - \$2M to \$8M in IT Infrastructure
2. Implement Short-Term Opportunities
3. Further Analysis & Due Diligence for Long-Term Opportunities

Existing Shared Services

The City and the Toronto Public Library were collaborating in many areas before the Shared Services Study

- Fleet
- Insurance
- Legal
- Parking
- Purchasing
- Real Estate

Project Update

Strategy for 2015

1. Focus on IT and Purchasing Shared Services Assessments
2. Analyze Insurance, Real Estate, and Learning for Shared Services Opportunities
3. Increase Collaboration in Other Areas

Short-Term Opportunities

Of 9 recommendations, we expect 8 to be complete by mid-2016:

- Learning
- Health & Safety
- Internal Audit
- FOI Submission
- Quality Assurance
- TPA Insurance
- TTC Insurance
- Lessor Services

Long-Term Opportunities

Of 8 recommendations, we expect 3 to be complete by mid-2016:

- Develop a collaborative collective bargaining strategy
- Change management centre of excellence
- Include the agencies in a plan to transition to digital records

IT & Purchasing

- Taking an iterative approach to implementation
- Increasing collaboration while assessing business case for moving forward
- First Step for IT - Enterprise Partnership
- First Step for Purchasing - Cooperative Purchasing Group

Benefits Achieved

KPMG Estimated Benefits

- KPMG did not estimate any significant savings in the short-term
- major benefits in the short-term would be related to increased collaboration
- Estimated a total of \$65M in savings
- only \$1.5M of savings in short-term
- \$1M related to the sale of warehouses

Fleet Services

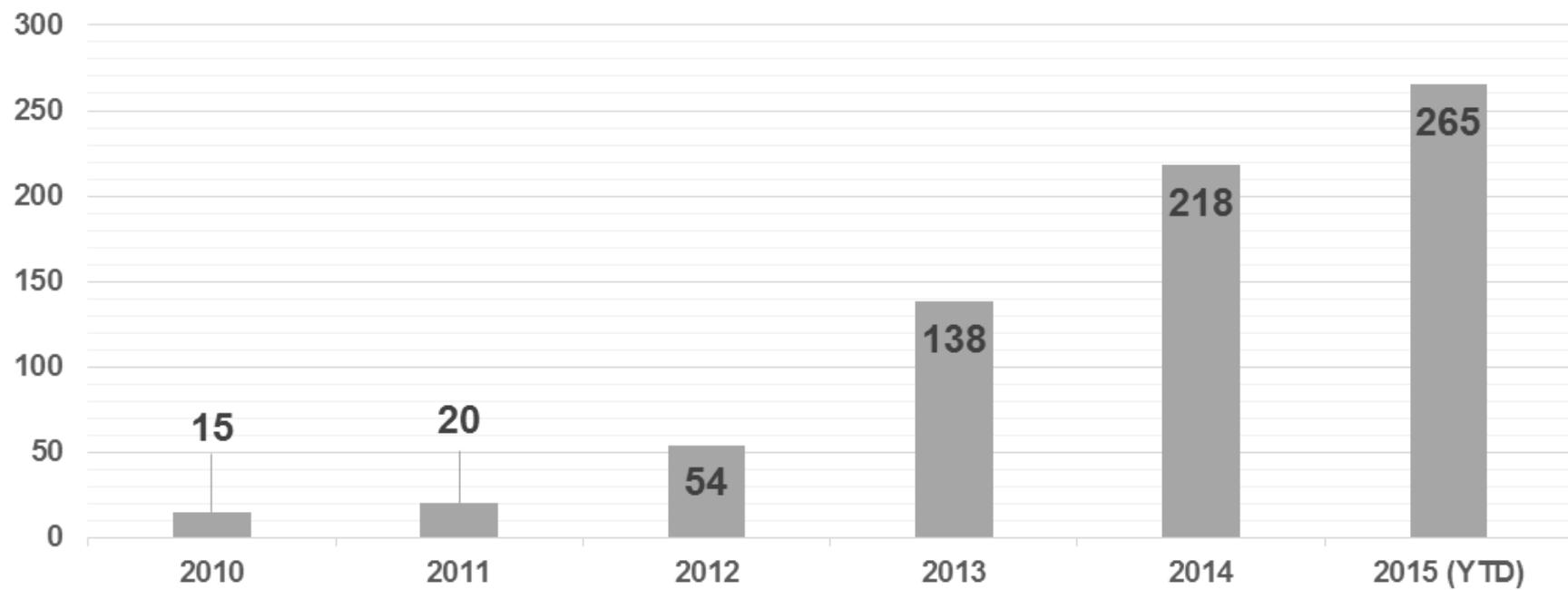
- Consolidated fuel purchases: \$9.0M
- Joint fuel hedging with TTC: \$18.5M

TTC SAP Licenses

- One-time fees: \$5.0M
- Maintenance fees: \$2.5M

Purchasing

Joint Contracts in Place



Other Benefits

- Culture shift across all organizations
- Increased collaboration across organizations
- Benefits will increase with time

Next Steps

- This is an update report
- Executive Committee to consider report on September 21, 2015
- City Council to consider report on September 30, 2015
- Report will be formally sent to the Agency Boards once considered by City Council

Questions