



Legislation Text

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TAMRMS#: B06

Operational Review Terms of Reference

Presented by: Kevin Scoble, Chief Administrative Officer

RECOMMENDATION(S)

That Council approves the Terms of Reference, including review scope and deliverables, for the Operational and Fiscal Review outlined in the report titled “Operational and Fiscal Review Terms of Reference” dated June 15, 2020 prior to Administration issuing a Request for Proposal.

PURPOSE OF REPORT

The purpose of the report is to present to Council the terms of reference for the Operational and Fiscal Review, including scope and deliverables, for Council’s adoption prior to Administration issuing a public Request for Proposal.

ALIGNMENT TO PRIORITIES IN COUNCIL’S STRATEGIC PLAN

Administrative Priority - Business Process Improvement, Organizational productivity and capacity.

ALIGNMENT TO LEVELS OF SERVICE DELIVERY

All City services will be considered and reviewed in two phases of the Operational and Fiscal Review.

ALIGNMENT TO COUNCIL DIRECTION OR MANDATORY STATUTORY PROVISION

CM-20-019

That an independent third party Operational and Fiscal Review be undertaken with the objectives of:

- (a) Identifying long-term, sustainable expense management solutions to ongoing budget challenges; and
- (b) recommending measures to provide quality, affordable municipal programs and services in the most efficient and effective manner while maintaining responsible taxation.

That the review be carried out in two phases:

- (a) Phase One, focusing on the following services to the public and corporate functions: Community Services, Economic Development, CAO Office, Recreation & Parks, Transit, Strategic Services & Information Technology Services and Environment to be completed by

October 31, 2020 so that any recommendations arising from it may be considered by Council in establishing the 2021 operating and capital budgets; and

- (b) Phase Two, focusing on the following services to the public and corporate functions: Planning & Development, Legal & Legislative Services, Utilities, Financial Services, Engineering Services, Public Works, Emergency Services and Human Resources & Safety to be completed by June 30, 2021 so that any recommendations arising from it may be considered by Council in establishing the 2022 operating and capital budgets.

That the review will, at a minimum:

- (a) consider "what" services the City provides and "how" the services are provided, emphasizing "what" services and programs the City should deliver or can afford to deliver and at "what" level or standard of service; and
- (b) identify alternative service delivery methods and opportunities that have the potential to result in expenditure reductions.

That the Internal Audit Steering Committee (IASC) be tasked with selecting the party to conduct the review after a competitive procurement process, and thereafter providing governance oversight to that party including vetting their findings and recommendations and providing those findings and recommendations to Council from both Phase One and Phase Two together with the IASC's own comments as deemed appropriate by the IASC.

That the CAO present to Council for approval the proposed scope of review and deliverables to be included in the request for proposals, prior to initiating a competitive procurement of external management consulting services to conduct the review.

That the remainder of the money allocated for the Internal Audit Committee (approx. \$160,000) be reallocated as well as any money previously approved in the budget for internal service reviews (approx. \$100,000) be used to fund this initiative. The remainder of the funds up to \$700,000 come from the Stabilization Reserve.

Council Policy C-CAO-15 Program and Service Review

The policy directs Administration to review programs and services on a regular basis to ensure efficiency and effectiveness of programs and services delivered to community.

BACKGROUND AND DISCUSSION

On June 1, 2020, in collaboration with Council, Administration proposed the Operational and Fiscal Review to be conducted by an independent third party with the oversight by the Internal Audit Committee.

The main objectives of the Operational and Fiscal review are:

1. Recommend with rationale, the addition, modification or discontinuation of Services and Programs.
2. Recommend, with rationale, changes to service levels or programming levels.

3. Identify long-term, sustainable expense management solutions to ongoing budget challenges.
4. Recommend measures to provide quality, affordable municipal programs and services in the most efficient and effective manner while maintaining responsible taxation.

Administration is in process of finalizing a Request for Proposal (RFP) with the following timelines:

- Publishing RFP - June 16, 2020
- Submission deadline - July 16, 2020
- Completion of preliminary evaluation - July 24, 2020
- Presentation/interviews (if necessary) - Week of July 30, 2020
- Contract Awarded - August 5, 2020
- Project Initiation - August 10, 2020
- Delivery of Phase 1 Report - October 30, 2020
- Delivery of Phase 2 Report - June 30, 2021

Attached Terms of Reference, including review scope and deliverables, is provided for Council's review and endorsement prior to Administration proceeding with publishing the RFP.

STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT

Internal Audit Committee will be engaged to select an independent party to conduct the review and after, provide governance oversight for the review. In addition, the Internal Audit Committee will review findings and recommendations, provide input and findings and recommendations to Council.

Council will be engaged to provide input in conducting analysis to develop recommendations.

Internal stakeholders will be engaged to provide input related to City and individual department's operation, programs and services delivered.

Request for proposals includes development of a detailed stakeholder communication and engagement plan that will be used for the review.

IMPLICATIONS OF RECOMMENDATION(S)

Financial:

The maximum budget set aside for completion of the Operational and Fiscal Review is \$960,000. Approximately \$160,000 will be allocated from the Internal Audit Committee previously approved budget, \$100,000 from the previously approved internal service reviews budget and the remainder is to come from the Stabilization Reserve.

Legal / Risk:

None at this time.

Program or Service:

All existing programs and services will be reviewed as part of the Operational and Fiscal Review. Recommendations provided by the consultant will determine the actual impact on services should

recommendations be implemented.

Organizational:

Administration will be required to participate in the review through meetings with the consultant to provide input and relevant information. This involvement will have impact on the organizational workload and capacity.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

None at this time.

Report Date: June 15, 2020

Author(s): Darija Slokar

Committee/Department: Strategic Services & Information Technology Department

Deputy Chief Administrative Officer: Kerry Hilts

Chief Administrative Officer: Kevin Scoble