

## **AUDIT AND OPERATIONAL REVIEW COMMITTEE – JUNE 1, 2009**

### **CONTINUOUS IMPROVEMENT PROGRAM – STATUS UPDATE**

(Referred Item)

Council, at its meeting of December 8, 2008, adopted the following Audit and Operational Review Committee recommendation (Item 2, Audit and Operational Review Committee Report No. 5):

That this matter be referred to the next Audit and Operational Review Committee meeting.

Report of the Deputy City Manager/Commissioner of Finance & Corporate Services, dated December 5, 2008

### **Recommendation**

The Deputy City Manager/Commissioner of Finance & Corporate Services in consultation with the Commissioner of Community Services and the Commissioner of Legal & Administrative Services recommends:

That the following report be received for information purposes.

### **Economic Impact**

There is no impact as a result of receiving this report.

### **Communications Plan**

Staff will work with Corporate Communications and Human Resources to communicate these initiatives as part of a larger promotion of this initiative. The primary focus of the communication will be internal.

### **Purpose**

To provide the Audit and Operational Review Committee with a status report with respect to the Continuous Improvement Program.

### **Background - Analysis and Options**

In 2007 Council amended the Audit Committee Terms of Reference and renamed the Committee the Audit and Operational Review Committee. There was a intent to go beyond a traditional internal audit program. To support the expanded role of the Committee, staff recommended the City formally engage in a continuous improvement program. This was approved in June 2008.

The core of the Continuous Improvement Program will be a series of detailed process and business model reviews directed at specific City services. The results generated by these reviews would be a combination of re-engineered service delivery processes (i.e. efficiency, value for money and service focused) and business models designed to achieve measurable service quality and productivity targets on an ongoing basis. Any excess resources identified by the program could be utilized or deployed against emerging City service delivery demands – an important aspect given Vaughan's growth driven service demand pressures and the ongoing challenges associated with building a sustainable City-wide service delivery business model. The program would be staged according to a coverage plan over the next few years.

A critical step in the implementation of the proposed program is the identification of City services to participate in the detailed process and business model review. The identification process will

be premised on selection criteria based on opportunities to implement a high value added performance improvement program and re-engineering “theme” across the corporation. Departments will have the benefit of external resources and expertise to undertake the reviews.

For example across the City there are numerous property tax supported service delivery processes which involve a series of repetitive service delivery or maintenance activities. These activities are delivered day after day in a similar fashion – often across multiple locations or to similar assets. Examples include winter road and sidewalk maintenance, park and sports field maintenance, facility maintenance, horticulture and tree maintenance, road platform and roadside preventative maintenance and by-law enforcement complaint responses. These are areas where methodologies and processes can be developed that could have a broader application across the City.

To provide support and the necessary expertise, the performance improvement program has utilized external resources, however the reviews are being undertaken “hand-in-hand” with the respective department. The success of the program is dependent on the engagement of management and front-line staff and their buy-in to the process and recommendations.

Common objectives that apply to most reviews include:

1. Opportunities to measure/optimize service delivery response times
2. Opportunities to measure/optimize staff utilization/productivity
3. Opportunities to re-engineer service delivery processes, workload tracking technologies, service level design & data collection, measurable performance targets

The approach taken by the reviews that have been completed or in process is inclusive and includes the following:

- Structured interviews
- Program logic model/mapping (inputs/outputs/outcomes)
- Performance measurement trend analysis
- Business process re-engineering workshops
- Peer municipality practices review
- Independent 3<sup>rd</sup> party review & improvement recommendations

To-date one project has been completed and two (2) projects are in process. They are as follows:

- i) Parks Winter Sidewalk Program (Complete)
- ii) By-law Department (In Process)
- iii) Parks Summer Maintenance Program (In Process)

A brief overview of each of these projects is provided in the following paragraphs.

#### Parks Winter Sidewalk Program (Complete)

The Sidewalk Winter Clearing operations was identified as a service that would be appropriate to review as part of the Continuous Improvement Program. It was desirable to undertake and complete the review prior to the 2008/2009 winter season.

The objective of the review was three (3) fold:

- 1) Identify broad “system design” refinements;
- 2) Expand performance measures and target setting; and
- 3) Identify specific service delivery improvement opportunities.

The following is a high level summary of the results of the review.

### Deployment of Snow Plows

Observation - The deployment of units did not reflect the difference in primary route kilometres and total route kilometres.

Action - Snow plow units were realigned to optimize utilization and performance. Additional units requested as part of the 2009 capital budget.

### Response to Staff Call Outs

Observation - There is a consistent low response to staff call outs.

Action - Management is reviewing and considering options.

### Unit Failure / Breakdown Frequency

Observation - High unit failure / breakdown is eroding performance. Incidence varies across zones.

Action -

- Over time replace small units in the fleet with larger ones
- Conduct workshops on unit driving and share best operating practices
- Capture efficiencies associated with refuelling through the use of a roving refuelling unit, rather than the units returning to the yard
- Implement stock piling of parts which frequently break down

### Performance Reporting

Observation - There is a need for vigorous winter event performance reporting across each of the three zones (East, West, North) with specific, mandatory data requirements on a consistent basis.

Action - Performance measures developed and will be applied across all zones  
Data to be derived from GPS devices.

This review is now complete and staff are implementing the recommendations.

### By-law Department (In Process)

A discussion with the Director of Enforcement Services and the Commissioner of Legal & Administrative Services was organized. The purpose of the meeting was to provide background information with respect to the Continuous Improvement Program and discuss opportunities for undertaking a review in the By-law Department.

The opportunity to access corporate funding and participate in the program was positively received. A project has been initiated with the objective of identifying opportunities to measure/optimize service delivery response times, optimize staff utilization in the By-law Department.

This review has commenced and is expected to be completed in early April 2009.

### Parks Summer Maintenance Program (In Process)

A review of the Parks summer maintenance services is a logical extension of the continuous improvement project which has been completed for the Parks – Sidewalk Winter Clearing program. This review has commenced and also expected to be completed by early April 2009.

**Relationship to Vaughan Vision 2020/Strategic Plan**

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

**Regional Implications**

Not applicable

**Conclusion**

This program is continuous and further status reports will come forward as areas for review are identified and work is completed.

**Attachments**

None