

To: Finance Committee

From: Stephanie Sinnott, Commissioner, Finance Services,
Finance Services

Report Number: FIN-19-97

Date of Report: November 20, 2019

Date of Meeting: November 25, 2019

Subject: Audit & Accountability - Budget Review Results

File: C-2000

1.0 Purpose

At the June 3, 2019 Finance Committee meeting, the Committee directed “That based on Correspondence FIN-19-49 from Laurie LeBlanc, Deputy Minister, Ministry of Municipal Affairs and Housing, staff be directed to apply to the Audit and Accountability Fund Program.”

The purpose of this report is to provide the results of the budget review exercise undertaken utilizing the funding awarded through the Audit and Accountability Fund Program.

2.0 Recommendation

That the Finance Committee recommend to City Council:

That the MNP Budget Review report attached to Report FIN-19-97, dated November 20, 2019 be referred to staff to investigate the findings and report back to the appropriate Standing Committee of Council on the feasibility of implementing the recommendations.

3.0 Executive Summary

Not applicable

4.0 Input From Other Sources

Various staff from all Departments participated in the budget review process

5.0 Analysis

On May 22, 2019 the City received correspondence from the Minister of Municipal Affairs and Housing which stated, in part, “In order to support large municipalities in driving

modernization and transformation, the government is establishing the Audit and Accountability Fund which will allow these municipalities to access funding to undertake line-by-line reviews of their operations, led by independent third-party experts, with a goal of finding administrative efficiencies of four cents on every dollar spent.”

On May 29, 2019, the City received correspondence from the Deputy Minister of Municipal Affairs and Housing, Attachment 1, which provided a guideline with information on the program including eligibility criteria and instructions on how to apply. The letter also indicated that municipalities interested in applying to the program must confirm their intention to apply by June 14, 2019 with a completed Expression of Interest form and supporting documents to be submitted by June 30, 2019.

On June 3, the Finance Committee directed “That based on Correspondence FIN-19-49 from Laurie LeBlanc, Deputy Minister, Ministry of Municipal Affairs and Housing, staff be directed to apply to the Audit and Accountability Fund Program.”

Staff completed the Audit and Accountability Fund: Expression of Interest and submitted the package of materials to the Ministry of Municipal Affairs and Housing (MMAH) on June 28, 2019. The Expression of Interest also required the City to acknowledge that the third-party review project would result in a publically posted report by November 30, 2019. MMAH subsequently extended the deadline to December 31, 2019.

A request for quotation was issued by the Manager, Purchasing Services to engage an independent third party to conduct the budget review in accordance with the Project Charter, Attachment 2, on July 2, 2019. On July 26, 2019, the City awarded the project to MNP.

MNP is a leading national accounting, tax and business consulting firm in Canada. Serving and responding to the needs of clients in the public, private and not-for-profit sectors. Through partner-led engagements, MNP provides collaborative, cost-effective approaches to doing business and to help organizations succeed.

Throughout the summer and fall of 2019, MNP met with a number of staff from the City of Oshawa and collected information relevant to the review engagement.

The final budget review report from MNP forms Attachment 3 to this report. The report provides some background information, a financial cost review, benchmarks and potential opportunities for the City to consider.

Of particular note, the report from MNP highlights:

“The City of Oshawa undertakes a number of best practice approaches when it comes to financial control and continuous improvement including investing in lean training, use of an internal audit department and having a strong financial framework.”

“The efforts put forth by the City of Oshawa to maintain cost controls is evident by the limited number of opportunities identified by MNP that would have substantial impact on their bottom line.”

6.0 Financial Implications

The City's application under the Audit and Accountability Fund Program was successful and the Province will provide funding in the amount of \$90,000 to offset the cost of the review.

7.0 Relationship to the Oshawa Strategic Plan

This report meets the Oshawa Strategic Plan goals of Economic Prosperity & Financial Stewardship by being fiscally responsible and the goal of Accountable Leadership ensuring respect, responsiveness and transparency.



Stephanie Sinnott, Commissioner, Finance Services,
Finance Services

FIN-19-49

Ministry of
Municipal Affairs
and Housing

Ministère des
Affaires municipales
et du Logement



Office of the Deputy Minister
777 Bay Street, 17 Floor
Toronto ON M5G 2E5
Tel.: 416 585-7100

Bureau du sous-Ministre
777, rue Bay, 17^e étage
Toronto ON M5G 2E5
Tél. : 416 585-7100

MAY 29 2019

Mr. Paul Ralph
City Manager
City of Oshawa

By e-mail: pralph@oshawa.ca

Dear Mr. Ralph:

Further to the May 22, 2019 letter from the Honourable Steve Clark, Minister of Municipal Affairs and Housing, on the launch of the *Audit and Accountability Fund*, I am writing to provide additional information on the program and to highlight important deadlines.

Through the *Audit and Accountability Fund*, the Ontario government is offering large municipalities an opportunity to benefit from provincial funding to conduct service delivery and administrative expenditure reviews with the goal of finding efficiencies while protecting important front-line services. Please see the attached guideline for information on the program, including eligibility criteria and how to apply.

If your municipality is interested in applying to the program, please contact your Municipal Services Office to confirm your intention to apply by **June 14, 2019**. To apply, municipalities must submit a completed Expression of Interest form with attached supporting documents to municipal.programs@ontario.ca by **June 30, 2019**.

I encourage you to consider an application to the *Audit and Accountability Fund*. If you have questions on the program, or would like to discuss a proposal, I encourage you to contact your regional Municipal Services Office, or e-mail municipal.programs@ontario.ca.

Sincerely,

A handwritten signature in black ink, appearing to read "Laurie LeBlanc".

Laurie LeBlanc
Deputy Minister

cc. Municipal Treasurer
Marcia Wallace, ADM, Municipal Services Division

Audit and Accountability Fund

Program Guidelines

WHAT YOU NEED TO KNOW

Ontario is making an investment to help municipalities become more efficient and modernize service delivery while protecting front line jobs.

Large urban municipalities that were not eligible for the *Municipal Modernization Payment Initiative* can apply to the *Audit and Accountability Fund* for funding to undertake expenditure reviews with the goal of finding service delivery efficiencies.

Eligible municipalities can apply individually or collectively, with other eligible municipalities, to undertake independent third-party reviews similar to the *Managing Transformation A Modernization Action Plan for Ontario* line-by-line review of Ontario Government expenditures.

ELIGIBILITY CRITERIA

To be eligible, the proposed review project will:

1. Review municipal service delivery expenditures to find efficiencies. The review project could take a number of forms including:
 - a line-by-line review of the municipality's entire budget;
 - a review of service delivery and modernization opportunities;
 - a review of administrative processes to reduce costs.
2. Result in a final report by the independent third-party reviewer that provides specific and actionable recommendations for cost savings and improved efficiencies.
3. Be completed by November 30, 2019. Municipal applicants will be required to post publicly the independent third-party report that outlines the analysis, findings and actionable recommendations by **November 30, 2019**.

It is expected that most review projects will be less than \$250,000, however projects will be reviewed on a case-by-case basis and funding amounts may depend on the available appropriation. Only third-party service provider fees will be eligible. Municipal administrative costs, such as staff time, are not eligible.

The program will not cover review projects where:

- The object of the review project is to identify opportunities for revenue generation or reductions in front line services.
- The review does not result in a formal report prepared by a third party.

Audit and Accountability Fund: Expression of Interest

To apply to the Audit and Accountability Fund:

- 1.) Complete all required fields of this Expression of Interest.
- 2.) Ensure that the completed Expression of Interest has been attested to by the appropriate municipal staff.
- 3.) Include an outline of your project timeline and costs (procurement documents, a project charter, a project work plan, or any other document as appropriate).
- 4.) Email this Expression of Interest and any additional supporting materials to municipal.programs@ontario.ca by **June 30, 2019**.

Attestation

I have reviewed this expression of interest and the supporting material and can verify that it is accurate to the best of my knowledge and understanding.

Signature

Date (DD/MM/YYYY)

Legal Name of Municipality	
Name of Signatory	Position Title

Applicant Information

Mailing Address	
Name of Primary Contact	Position Title
Email Address	Telephone Number

- I acknowledge that it is a program requirement that the proposed third-party review project result in a publicly posted report by November 30, 2019.

What is the anticipated cost of your proposed third-party review project? **Note:** only the cost of a third-party service provider should be included. Attach a document to support the timeline and costs of your project.

Have you included a resolution of council demonstrating support for the proposed third-party review project?

Note: this is not a program eligibility requirement.

- Yes (If yes, please attach a copy to this Expression of Interest form)
- No

Project Charter

Project Name	Municipal Budget Review – City of Oshawa
Start Date:	July 29, 2019
Expected Completion:	November 30, 2019
Team:	
Executive Sponsor:	Stephanie Sinnott, Commissioner, Finance Services/Treasurer
Project Leader:	Jay Martin, Manager, Financial Services & Financial Systems Development
Members and Roles ¹ (as related to participation in this initiative):	Staff from various Departments including City Manager's Office, Finance Services, Community Services, Corporate Services, Development Service to provide context and background on municipal services and associated budget information.

Project Summary:

Goals of the initiative:

To identify opportunities to realize efficiencies and budget reduction opportunities.

Project Purpose

In order to support large municipalities in driving modernization and transformation, the Provincial government has established the Audit and Accountability Fund which will allow these municipalities to access funding to undertake line-by-line reviews of their operations, led by independent third-party experts, with a goal of finding administrative efficiencies and potential budget reduction opportunities.

This exercise will review municipal service delivery expenditures with the goal of finding efficiencies.

The review project could take a number of forms including:

- a line-by-line review of the municipality's entire budget;
- a review of service delivery and modernization opportunities;
- a review of administrative processes to reduce costs.

The goal of the Provincial government is in alignment with the City's Continuous Improvement Framework. As such the City is proposing to undertake a line-by-line review of the 2019 municipal budget, specifically a review of expenditures. The City will apply for the funding available to municipalities through the Audit and Accountability Fund.

Project Scope:

The project is proposed to conduct a line-by-line review of expenditures of the 2019 budget by an independent third party.

The review will result in a final report by the independent third-party reviewer that provides specific and actionable recommendations for cost savings and improved efficiencies.

This review will enable the City to apply for funding assistance through the Audit and Accountability Fund. Restrictions of the funding program indicate that the program will not cover review projects where:

- The object of the review project is to identify opportunities for revenue generation or reductions in front line services; or
- The review does not result in a formal report prepared by a third party.

Other Relevant Background:

The City has adopted a Continuous Improvement Framework aligned to the Oshawa Strategic Plan and Financial Strategy. A copy of the Council adopted Framework is attached. There are four areas of focus contained in the Framework:

- Lean initiatives - Processes are streamlined, redundancies eliminated and new opportunities identified while tapping into front-line knowledge and experience.
- Internal Audit - KPMG, in cooperation with City staff, undertake evidence-based research to ensure efficient and effective service delivery, accountability, and consistent and clear policy direction.
- Service Reviews - Attention is given to “what” services the City provides and “how” they are provided while respecting the role of government, public interest, affordability and value for money.
- Risk Management - A clearly defined Corporate Risk Management Policy and Procedure helps the Corporate Leadership Team proactively identify, assess and manage risk.

Currently the City has a process underway to train all staff with a LEAN yellow belt certification to continue the enhancement of a continuous improvement culture.

In light of the activities already in progress by the City, it was determined that a line-by-line review of the budget would be the most appropriate model for this review.

Challenges:

The most significant challenge for the review is timing. Both the length of time available to complete the review and possibly the availability of staff that may be called upon to provide additional information to the third party due to peak vacation scheduling during the summer.

Strengths:

The proposed Project Leader has experience in internal audit and is not directly involved in the City's budget process. The Project Leader will engage with other staff to provide appropriate internal oversight and objectivity to assist the independent third party with the review process.

Anticipated Activity Milestones:

Activity	Timeframe	Deliverable
Issuance of Purchasing documents, receipt and analysis of bid submissions	July 2019	Selection of an Independent third party service provider to undertake the review.
Project Initiation	July 29, 2019	Project Kickoff
Preliminary report	October 31, 2019	Preliminary findings presented to the City
Final Report	November 15, 2019	An independent third-party report that outlines the analysis, findings and actionable recommendations
Presentation to Finance Committee	November 25, 2019	Information received for consideration during 2020 budget deliberations

Approvals

Approved by



Executive Sponsor

Copy of Council Resolution attached authorizing the City of Oshawa to apply for the program funding under the Audit and Accountability Fund.

City of Oshawa

Budget Review

Jason Burgess
Managing Director, Corporate Finance
T: (905)225-1324 / (289)257-6157
E: Jason.Burgess@mnp.ca
111 Richmond Street West, Suite 300
Toronto, ON M5H 2G4

November 18th, 2019



MNP is a leading national accounting, tax and business consulting firm in Canada. We proudly serve and respond to the needs of our clients in the public, private and not-for-profit sectors. Through partner-led engagements, we provide a collaborative, cost-effective approach to doing business and personalized strategies to help organizations succeed across the country and around the world.

TABLE OF CONTENTS

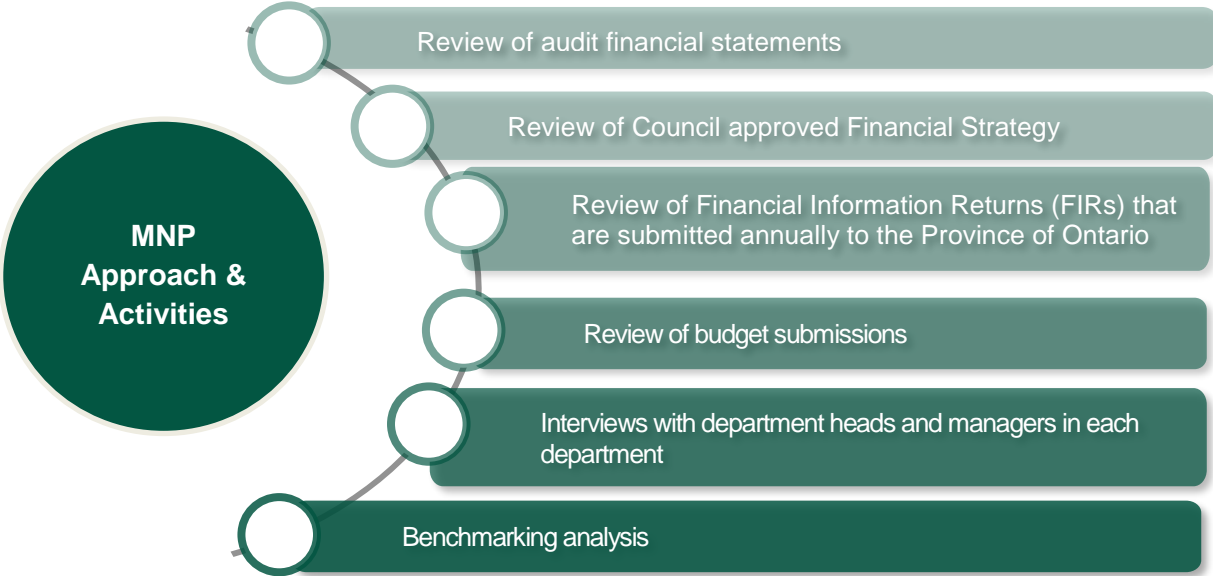
1.0 BACKGROUND	1
2.0 FINANCIAL COST REVIEW.....	2
CITY OF OSHAWA FINANCIAL STRATEGY.....	2
CITY OF OSHAWA – COST CONTROL APPROACH.....	2
HIGH LEVEL COST OVERVIEW.....	3
WAGES.....	4
3.0 BENCHMARK COMPARABLE	6
4.0 PROCUREMENT.....	7
GREATER USE OF BUNDLING	7
INCREASING THE COST COMPONENT OF RFP EVALUATION	9
5.0 AIRPORT	10
6.0 SNOW CLEARING ASSISTANCE PROGRAM	11
7.0 BALANCING OF OPERATIONS SHIFT STARTUP TIMES.....	13
8.0 OVERTIME CONTROLS & SICK LEAVE	14
HIGHLIGHTING FIRE SERVICES	17
9.0 CROSSING GUARDS	18
10.0 STREETLIGHT & STREETLAMP REPAIR.....	20
11.0 NATURALIZATION.....	21
12.0 FIRE SERVICES.....	23
13.0 PARTNERSHIP AND COLLABORATION.....	24
APPENDIX A – BENCHMARK COMPARABLE.....	25
APPENDIX B – LISTING OF RFPs REVIEWED.....	26

1.0 BACKGROUND

On May of this year, the Provincial Government announced plans for a \$7.5 million fund to assist municipalities and school boards to obtain a targeted 4% in operational savings. Premier Ford revealed the plans for Ontario's "audit and accountability fund" during a speech to the Greater Oshawa Chamber of Commerce. Mr. Ford had noted that - "It's time for all governments to get spending under control" and "It takes no courage to raise taxes." The premise behind the initiative is based on the Province's own 4% spending reduction target.

Project Objectives: MNP is to assist the City of Oshawa in identifying initiatives to obtain the 4% spending reduction, without impacting frontline services.

Scope: MNP undertook the following measures to review the City's operations to identify potential costs savings.



2.0 FINANCIAL COST REVIEW

City of Oshawa Financial Strategy

The City of Oshawa operates under an approved Financial Strategy, the current strategy encompasses the period of 2016 – 2019. The financial strategy is a supportive document to the City’s strategic plan and provides a financial framework for the City to operate within. The financial strategy outlines both specific financial policies and strategies related to key items such as:

- Infrastructure Renewal
- Reserve Funds
- Debt Management
- Revenue Sources
- Operating Costs

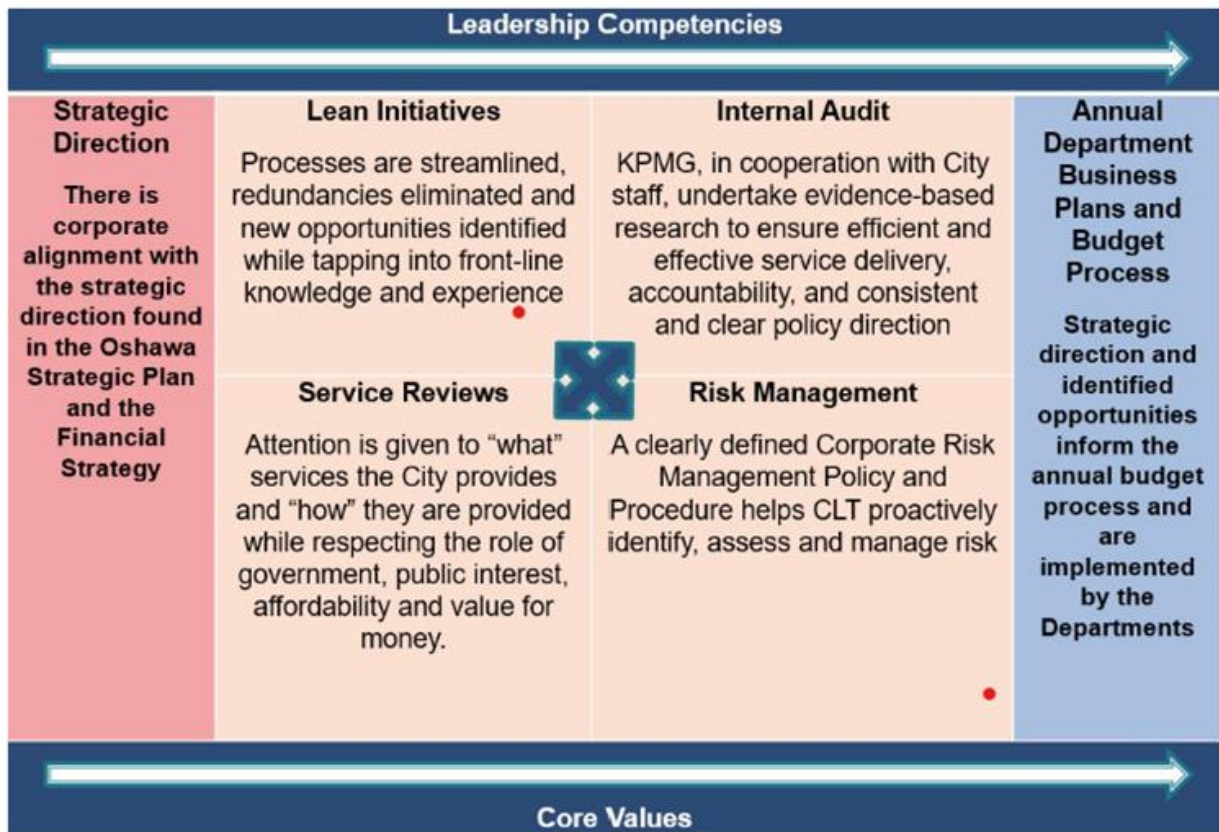
The development of these policies and financial strategies are a best practice for municipalities and creates an overall financial framework and “tone from the top” for the organization. The City’s strategies and policies outlined in the document provide sufficient detail in areas such as minimum and maximum reserve levels and minimum funding levels ensures that City maintains a disciplined approach to its financial well being.

City of Oshawa – Cost Control Approach

The City of Oshawa undertakes several best-practice approaches to cost management, for example the organization has hired KPMG as a third-party internal audit department. Further investigation by MNP revealed that many areas were subject to previous audits by KPMG which demonstrates a thorough continuous improvement approach was taken by the municipality. In addition to the third-party audits, the organization has invested in Lean training for all regular employees (Yellow Belt LSS, some receiving the Green Belt and Black Belt) which not only drives sustainability but also instills a culture focused on continuous improvement. An example of this culture are the service reviews that the city undertakes.

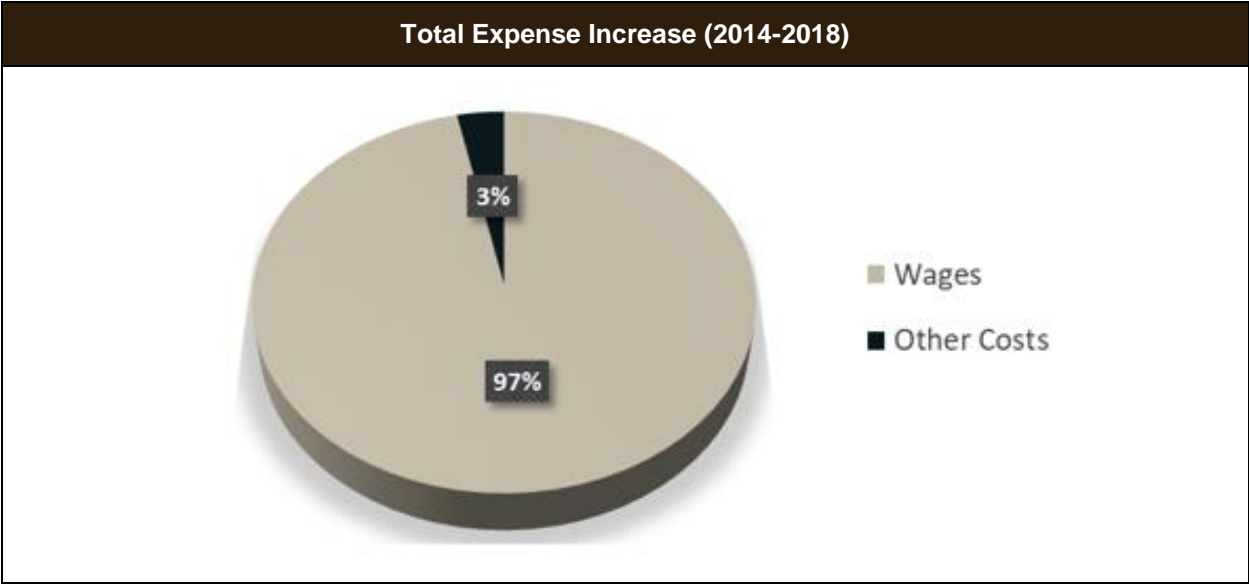
The City of Oshawa undertakes a number of best practice approaches when it comes to financial control and continuous improvement including investing in lean training, use of an internal audit department and having a strong financial framework.

The efforts put forth by the City of Oshawa to maintain cost controls is evident by the limited number of opportunities identified by MNP that would have substantial impact on their bottom line. Moreover, the following document outlines the ability for the City of Oshawa to maintain modest cost increases over the next few years.



High Level Cost Overview

MNP undertook an analysis of the Financial Information Returns (FIRs) submitted by the municipality from 2014 to 2018. From a global point of view total costs were \$163.5 million in 2014 and in 2018 total costs climbed to \$178.9 million (per schedule 40 of the FIR). This represents an increase of \$15.3 million over the time period, which translates into a cumulative average annual increase of 1.8% over that time period. The Consumer Price Index (CPI), as determined by the Bank of Canada, increased 1.7% over the same period. The largest contributor to the increase in costs was wages over this period. Wage increased from \$83.4 million in 2014 to just under \$98.3 million in 2018. This was an increase of \$14.8 million over that time period which represented 97% of the total \$15.3 million expenditure increase.



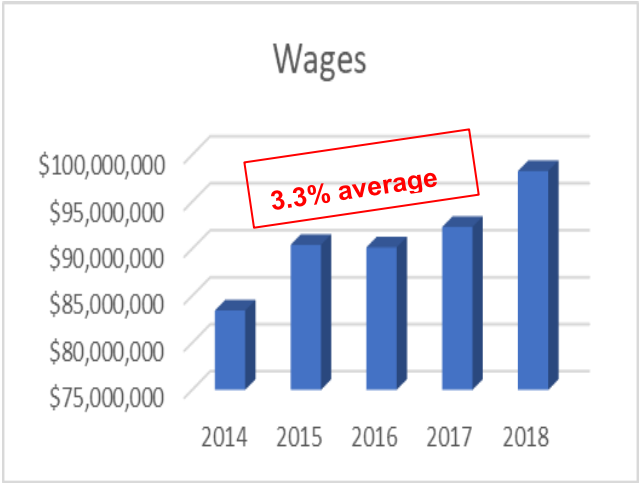
Overall, the City of Oshawa has been able to maintain costs at approximately the level of inflation over the last 5 years even when considering wage gains. In comparison, Whitby had experienced a cumulative average annual expenditure increase of 3.36%, Ajax had experienced an increase of 2.62% and Toronto saw an average annual increase of 3.3%.

The cost control that the City of Oshawa has demonstrated has occurred while the city itself has experienced growth. The estimated population of the City has grown from approximately 160,000 people in 2014 to 171,000 people in 2018, which is a 6% population increase. Additionally, it should be noted that the number of households increased from 61,697 to 64,661 which is just less than a 5% increase, the increase in households has impacts to costs for waste management, winter maintenance, lighting and other services.

Wages

Wages increased from \$83.4 million in 2014 to just under \$98.3 million in 2018 a \$14.8 million increase over a four-year time period. This corresponds to a 3.3% increase on a cumulative average annual basis. It should be noted that this wage increase calculation includes one-time wage settlements including retroactive payments as well as costs associated with severance packages, as such the actual functional increase would be less than the 3.3%, however MNP did not break out the components as the intent is to show overall trending.

When looking at departmental wage increases the largest wage increases for the period were seen in the following departments:



- Fire had a \$3.8M increase (3.1% cumulative average increase)

- Transportation Services (which includes traffic operations, winter maintenance, traffic control etc) had a \$2.98M increase (6.18% cumulative average increase)
- General Government (includes finance, clerks, IT, human resources etc.) had a \$2.69M increase (a 3% cumulative average increase)

The total full-time equivalent employment level for the organization did increase slightly over the time period which would have contributed to the cost increase but would not have been significant factor. As outlined in a previous Council report (FIN 19-88), the total full-time equivalent employee count increased from 752 employees in 2015 to 766 employees in 2019, which is only a 1.8% increase for the period. The largest increase in head count was driven by Community Services due to the need for crossing guards, increasing 17 employees from 2016.

The City of Oshawa has seen modest wage and headcount growth over the last 4 years. This modest growth has been maintained as the City has grown and there have been increasing demands.

MNP acknowledges that municipalities are in a competitive employment environment and decisions around staffing levels and compensation levels should be made within a framework related to attracting and retaining talent. As such the interpretation of the data presented should not be viewed in isolation, but rather should be utilized as a data point along with the overall staffing and personal strategy. The data is presented in the sole context to provide readers with an understanding of the nature of the budgetary increases the City has experienced.

Key Takeaways

The City has invested significantly in systems to encourage continuous improvement and ensuring taxpayer value. The use of a third-party internal audit department and investment in lean training has driven significant benefits to the City.

Overall the city has effectively maintained cost controls as showcased by their ability to maintain increases in total expenditures at the rate of inflation, despite the significant growth of the city.

The city experienced modest expansion of the workforce, however, the largest component of expenditure increase was related to salary gains, therefore, much of the gain can be attributed to salary increases received by retained staff.

3.0 BENCHMARK COMPARABLE

In addition to reviewing Oshawa’s audited financial statements, budget packages and Financial Information Returns, MNP also undertook a review of key benchmarks based on the 2018 BMA survey that the city participated in.

The following chart summarizes 12 key operating areas where the City of Oshawa is operating above, below or within 10% of the Provincial Median when looking at the cost of the service on a per capita basis.

Below Median	At Median (+/- 10%)	Above Median
Paved Roadways	Fire	General Governance
Street Lighting	Traffic Ops	Protective Inspection
Recreation Programs	Library	Winter Control
		Waste Collection
		Recreation Facilities

The issue with regards to benchmarks is that comparability is not as straight forward as there are differences in service levels that municipalities strategically choose. The benchmarks in the BMA study vary between comparing all municipalities in Ontario or on some measures (such as fire) the comparison is for municipalities of similar population size. However, the use of benchmarks can highlight areas of consideration for different strategies for service delivery.

We have placed a summary of the comparative benchmarks in Appendix A for further information.

4.0 PROCUREMENT

Current State: Procurement approaches can have a significant impact across various departments within a municipality, currently procurement for the City Of Oshawa is aligned with generally accepted practices in the public environment. These practices include utilizing a centralized procurement approach where procurement activity for the organization is overseen by a single department, co-operative purchasing is leveraged, and piggybacking or other methods are applied.

Pursuant to the City’s Purchasing By-Law, the procurement team works with the operating department to determine the appropriate vehicle for procurement (ex. tender versus a request for proposal).

Opportunities: MNP identified several potential strategies for the City of Oshawa to consider including; increase use of bundling, market research, rostering, etc. which are outlined below in further detail:

Greater Use of Bundling

Bundling of contracts refers to taking several similar projects (ex. paving contracts) or several different projects tied to a similar activity (ex. design builds) and grouping or bundling them into a single larger procurement in an attempt to obtain a single vendor to provide a more cost-effective solution. Another method of bundling is using multi-year contracts that cover several years (ex. a five-year grass cutting contract) rather than annual contracts for a single year

It should be stressed that the City has undertaken bundled strategies of same or similar contracts (ex. crack sealing is now a three-year contract) and has recently bundled the design and build of a clubhouse, park and splash pad. So, this is not a new approach but a suggestion for the City of Oshawa to continue to seek such opportunities, however this sometimes require more advanced pre-planning on behalf of the City of Oshawa.

Advantages	Disadvantages
<ul style="list-style-type: none"> • The value of the contract increases which will generally attract more potential bidders and will likely result in better pricing. • Contract administration and management is easier as the organization is dealing with less contracts and suppliers. • Assigns accountability to a singular party if issues arise. Some examples include: <ul style="list-style-type: none"> ○ Bundling the design and build of an item – will not have the contractor blaming the poor design on cost overruns. ○ On a smaller scale, if the grass cutting contract and the winter maintenance contract for a property was converted to just a property maintenance contract – no issues to occur related to the winter maintenance contractor damaging sod and having the landscape contractor looking for additional funds to repair the damage. 	<ul style="list-style-type: none"> • The biggest pitfall relates to counterparty risk due to the added complication of relying solely on one or few suppliers. If a supplier fails/underperforms or runs into financial issues, the City of Oshawa is exposed to greater operational difficulties as they now they have a larger, more concentrated contract. • Requires increased pre-planning in order to align contracts for the bundle.

Greater Use of Market Sounding or Market Research

A challenge in any municipal environment is having enough time and resources to undertake more upfront research prior to a larger procurement where the preferred solution or approach is not well known. A market sounding is a structured approach to participants in the market to obtain input and information on the prospective project.

Advantages	Disadvantages
<ul style="list-style-type: none"> A better understanding of options and how market participants will respond, the City of Oshawa can draft better procurement documents helping them obtain better solutions and at a lower cost. 	<ul style="list-style-type: none"> It is time intensive to conduct market research which extends the procurement process, therefore advanced planning is required for this to be effective. Some additional costs will be incurred due to the increased staffing hours allotted, although this is minor and would be a fixed cost.

Greater Use of Rostering

A roster is a competitive process used to select several vendors to undertake a specific service or provide a particular product. This two-stage procurement process allows cities to select or qualify multiple respondents, who they are confident could undertake future work, to be on the roster. As the City of Oshawa requires a product or service, they would undertake an additional process to procure from the vendors on the roster. As such the rosters process must be rigorous to ensure only quality vendors are selected. There are several municipalities who utilize rosters for large spend projects and frequently used areas (ex. engineering services).

Advantages	Disadvantages
<ul style="list-style-type: none"> Once rostered, the City of Oshawa can procure more efficiently from the roster since the level of quality of the proponents is established. If an RFP was utilized, the city could have a significantly higher level of scoring placed upon the specific approach of the project and the proposed cost. By increasing the cost component, pricing advantages can be obtained. The speed of the procurement process once the roster is established is generally quicker. Organizations can also consider looking at different purchasing levels if a roster is utilized for example increasing the level in which an informal procurement approach can be used. 	<ul style="list-style-type: none"> There is additional time required for both creating the roster and managing the roster to ensure that opportunities are provided to all those who are qualified.

Increasing the Cost Component of RFP Evaluation

Currently the City of Oshawa generally evaluates the cost component of an RFP in the 20% to 25% range of the evaluation. This is not unusual, and is aligned with the thought process that an RFP was being utilized as the preferred approach or solution to a service or product was not well known by the City and as such a high degree of the evaluation is placed on the nature of the solution rather than the cost. Though it is difficult to determine the exact nature of savings, it is generally accepted that cost is more heavily weighted in the evaluation process, as such vendors in a competitive environment will look for methods to reduce cost. The counter argument to increasing the cost component of an RFP generally evolves around quality, however it is also difficult to determine with precision whether the quality of the end-product erodes as the cost component increases and by how much.

Advantages	Disadvantages
<ul style="list-style-type: none"> • MNP undertook a review of 46 RFPs issued from 2017 until mid 2019 (see Appendix B for list). The total amount of the award for these RFPs was \$12.7 million. When looking at the award distribution we noted the following: <ul style="list-style-type: none"> ○ If all the low bids were accepted the total awarded amount would have been \$8.45 million or a difference of \$4.92 million (or 38.7% of the awarded amount) ○ Of the 46 RFPs only 12 of the winning bids were also the lowest bids or essentially only 26% of the time did the low bid win. • As noted, it is difficult to determine the precise level of savings if the cost component was increased to 30% of the total evaluation. However, to provide context we have outlined some ranges in savings below: <ul style="list-style-type: none"> ○ If the anticipated savings was 3%, this would amount to \$381,000. ○ If the anticipated savings was 5%, this would generate \$636,000 in savings. 	<ul style="list-style-type: none"> • A lower quality product may result in longer term costs to the municipality. Methods to reduce this risk have been identified: <ul style="list-style-type: none"> ○ Having a minimum required technical threshold that vendors must meet prior to proceeding to cost evaluation. ○ As noted earlier, using rosters to decide between prequalified vendors.

MNP would want to stress there are a number of reasons why an RFP submission that contains the low bid did not win the process and increasing the cost component in the evaluation process will not mean that the ratio of low bid winners would increase materially. However increasing the weight of the cost component should have an impact of making suppliers increase their focus on pricing.

5.0 AIRPORT

Current State: The Oshawa Executive Airport (“Airport”) is owned and operated by the City of Oshawa and managed by Total Aviation & Airport Solutions Limited (“Total Aviation & Airport Solutions”). The City has an operating and options agreement in place with the Federal Government, which requires that the City operate the airport until 2047. As part of the agreement, the City of Oshawa may close the Airport prior to 2047 if the Pickering Airport is opened. However, there is a stipulation that the Airport may not close prior to 2033. Although several underlying principles and market conditions have changed significantly since Oshawa signed the original 50-year agreement in 1997, the Airport is still viewed as an economic development tool for both Oshawa and the Region.

The 2015-2019 Airport Business Plan forecasted that the annual aircraft movements would grow from a 10-year average of 61,469 to 102,345 by 2019. In 2018, the total aircraft movements were at the lower end of projection at 78,363 movements.

The airport had revenue of approximately \$2 million and expenditures of \$3.3 million. Based on the 2018 BMA municipal study Oshawa’s airport cost was \$6 per capita, the average was \$16, and the median average was only \$2, which is the metric or benchmark the city should focus on. The BMA study has 28 municipal airports in their benchmark analysis, two airports (Timmins and Penetanguishene) report income from its airport operations while all other municipalities reported a net cost to operate the airport. Overall the City of Oshawa’s airport cost, on a per capita basis, is above the Provincial median.

Opportunity: MNP recognizes that there are limited opportunities for this file due to the long-term contractual commitment with the Federal Government, as well as, other market and regulatory factors. MNP also recognizes that the City and the management company have undertaken several strategies to narrow the funding gap at the airport.

Based on the results of the new business plan in 2020, the City of Oshawa should consider lobbying the Region of Durham and the Federal Government to:

- 1) Obtain clarity over the Pickering Airport issue. The lack of clarity as pointed out in the existing strategic plan creates a chill on investment in the Oshawa airport and prevents a more solid long-term strategy to effectively devolve the airport and position the facility for redevelopment.
- 2) Oshawa should attempt to position itself for increased support from the Federal government for investment in the airport to bring the impact on the taxpayers more in line with the Provincial median.
- 3) The airport is a regional asset and as such the City of Oshawa should continue to look for support strategies and measures from its regional partners to narrow the cost gap of the airport and impact on Oshawa rate payers.

MNP notes that during the October 15th, 2019 City Council meeting, Council did pass a motion to “direct to initiate discussions with Transport Canada and the Federal Government regarding the terms of the 1997 Operating Agreement....”

6.0 SNOW CLEARING ASSISTANCE PROGRAM

Current State: The snow clearing assistance program provides registered homeowners with assistance in clearing city sidewalks and driveway windrows, which are the piles of snow left at the bottom of driveways after a snow-plow has cleared the streets. The City of Oshawa provides snow clearing assistance to homeowners 65 years of age or older and people with disabilities who have no resident without disabilities under the age of 65 living in the household.

Opportunity: This program is not a required or mandated program for a municipality but has been a program that has been traditionally provided the City of Oshawa. The City can consider three options:

- 1) **Wind-Down the Program:** This is not a required or mandatory program for a municipality to offer so there is opportunity to end the program.
- 2) **Income Test:** The City of Oshawa could amend their service levels to provide this service based upon economic need. Specifically, if a senior citizen can afford snow clearing services through private companies, they should not be eligible for the complimentary service provided by the City of Oshawa. This change will lead to significant changes in the enrolment of the program. Additionally, it will focus and improve the services towards those who require the services provided. This income test can also be expanded to other programs offered by the City, such as Senior's Recreation Fees and Memberships.
- 3) **User Fee:** The City of Oshawa can look to employ user fees for this service. For example, the City of Oakville charges \$104.05 (including HST) to participate in their program.

When calculating the potential savings from this opportunity in the snow clearing program, analysis showed \$462,000.00 of potential savings (this is based on costing from City of Oshawa management). This is based on the total cost of materials involved in the process, the labour costs for snow-plow operators and those who are involved in the program, and the wear and tear expected on the equipment through a single season. On average, there are 21 snow clearing services that occur for a single senior citizen's property in an average winter. Further to the operational cost for Senior Snow Clearing, administrative costs are also experienced.

Cost Breakdown – Operations	
Participating Households	2292
Average Snowfalls Per Season	21
Cost Per Service	\$9.59
Total Cost (\$9.59 x # Average Snow Falls) x # of Households)	\$461,585.88

Cost Breakdown - Administration	
Participating Households	2292
Interactions per property (printing letters, calls, emails)	3
Cost Per Interaction	\$7.00
Total Cost (\$9.59 x # Average Snow Falls) x # of Households)	\$48,000.00

65+ Income Breakdown	
Total Population in Oshawa	172,434
Population 65+ in Oshawa	28,385
% Of Population - 65+	16%
Total Households in Oshawa	67,559
Households Owned	46,314
Households Rented	21,245
# Of Households - 65+	11,121
% of 65+ population that is low income	6%
# Of Households that could qualify (65+ Households - % rented households * % 65+ low income)	457

Source – Region of Durham Census 2018

Potential savings have been broken down into actual savings based upon the level of impact quantification and recapture percentage. If an estimated 457 low income households (that own property) qualify for snow clearing, the total cost to provide this service would be \$92,035. It is important to note that this number could be much lower as the % of low-income resident's that rent will be higher than low income resident's that own property. Rental properties should receive snow clearing as part of their rental contracts (generally an owner or landlord obligation).

At the low end of operational expenditure savings MNP would expect to see either 50% or 75% recapture rate, which amounts to \$231,000 and \$346,500, respectively. If the Operating Expense savings is recaptured at 100%, it is considered the top end of impact quantification and will result in savings of \$462,000.

Disadvantages/Risks: Due to the high level of visibility and tangible effect that this change will have on the City of Oshawa, we expect risks to be involved that need to be addressed prior to moving forward. The first risk to consider is the reception from citizens who utilize the service and will no longer be eligible. Citizens in Oshawa have used this service for years, so a change in criteria that no longer allows them to partake in the program may lead to complaints from citizens.

7.0 BALANCING OF OPERATIONS SHIFT STARTUP TIMES

Current State: The City of Oshawa’s staff scheduling is currently organized in such a way that all operations staff start their shift at 7:00am and return to the depot at 3:00pm.

Opportunity: There is significant non value-added time during the day due to a bottleneck of crews leaving and returning to the depot. This is due to the flat scheduling between the shifts of operations staff. The opportunity is to create a more staggered and strategic scheduling plan that minimizes or eliminates this bottleneck and does not cause non value-added time in each staff’s shifts everyday.

Savings from balancing shift start times can be seen through the following recapture of non value-added time:

- There are 35 parks operations staff and 37 road maintenance staff.
- In its current state, there is 15 minutes of non value-added time at the beginning of the shift and 15 minutes of non value-added time at the end of the shift.
- With the expectation that this opportunity will eliminate this non value-added time, we expect there to be savings at 30 minutes a day, 72 staff, 5 days a year, and 49 weeks per year at an average of \$45.15 per hour. This totals to \$398,000 recapture of non value-added time.

Impact Quantification	
Recapture Rate	Annualized Savings Opportunity
50%	\$199,000
75%	\$298,500
100%	\$398,000

Disadvantages/Risks: These are union workers whose contracts state the start time for the union members. There is risk of dissention in Operations staff, however, this can be negotiated in the collective agreement expiring December 31st, 2020.

8.0 OVERTIME CONTROLS & SICK LEAVE

Current State: From 2016 to 2019, overtime has increased by 47% overall for the City of Oshawa. However, the number of full-time employees has only increased by 2% in this time, showing a highly disproportionate growth in overtime hours used compared to the natural expected growth based upon the increase in employees for the City of Oshawa.

Not only was there a significant overall growth in overtime taken across all departments, the analysis showed that some departments appeared to take significant share of the overall overtime taken. This proves that there are concerns and potential room for growth if the City of Oshawa’s improvement efforts are refocused on key departments that drive the number of overtime hours used.

The impacts of increased overtime stretch beyond fiscal repercussions, increased overtime is directly linked to increased employee absenteeism and sick leave. There is a potential negative impact on workplace culture as these numbers begin to rise. From 2016 to 2019, sick leave has increased by 18,185 hours or 2,425 days. This is a 56% increase from 2016 to 2019.

Opportunity: There is opportunity to revisit and restructure the overtime collective agreements to address excessive use of overtime. The potential savings can be taken by considering the growth in overtime taken between 2016 to 2019 and minimizing the additional expenses.

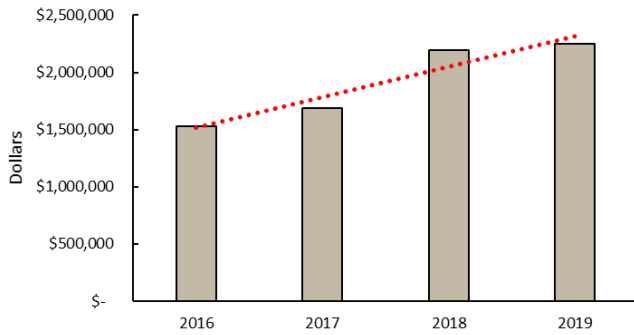
In 2016 total overtime was \$1,532,000 and 2019’s total overtime was \$2,250,000, which is a difference of \$718,000. Considering this growth rate, City of Oshawa should revisit and update overtime collective agreements to decrease future growth and return overtime hours to previous realistic levels.

MNP wants to stress that during its review process this issue has been a considerable focus of management and we also note that KPMG has undertaken a review of the controls. As such this recommendation is aligned with current management activities.

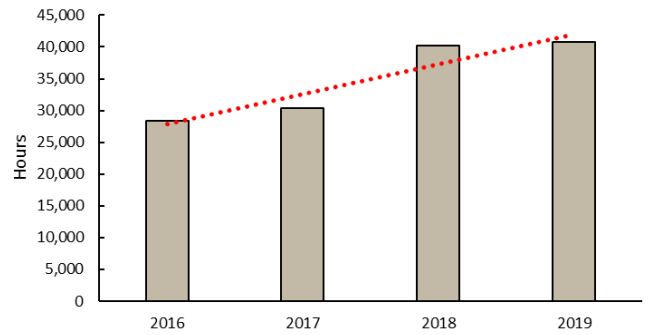
Disadvantages/Risks: There is a significant risk of dissent from employees who are accustomed to a level of income generated from overtime income. Additional ‘Active Management’ training will have to be conducted for all supervisors to ensure they understand the fiscal impact the overtime has not only on wages but also on increased workplace injuries and negative impacts on culture.

Impact Quantification	
Recapture Rate	Annualized Savings Opportunity
50%	\$359,000
75%	\$538,500
100%	\$718,000

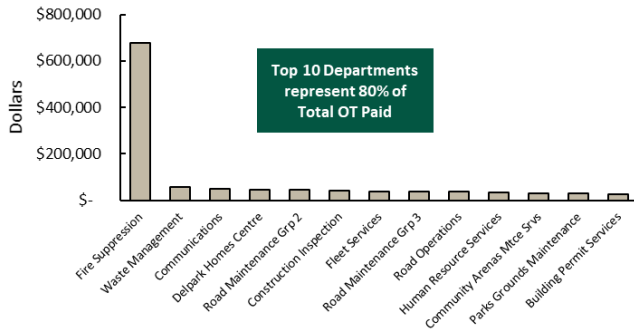
Overtime Dollars - 2016 to 2019



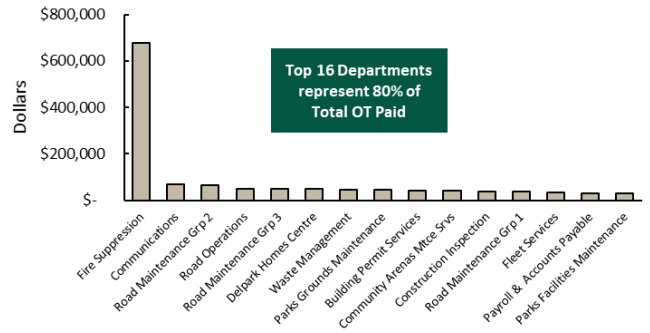
Overtime Hours - 2016 to 2019



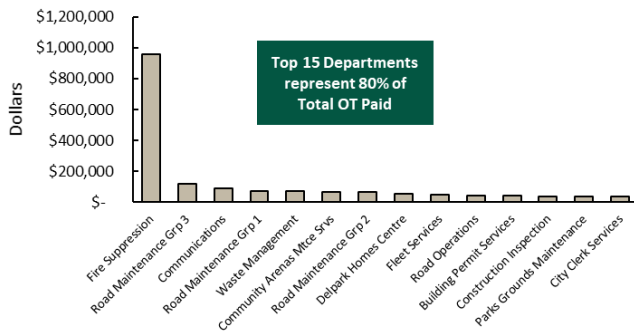
2016 OT Breakdown - Department



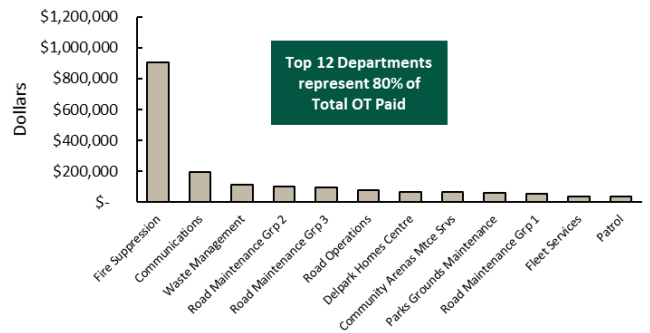
2017 OT Breakdown - Department



2018 OT Breakdown - Department

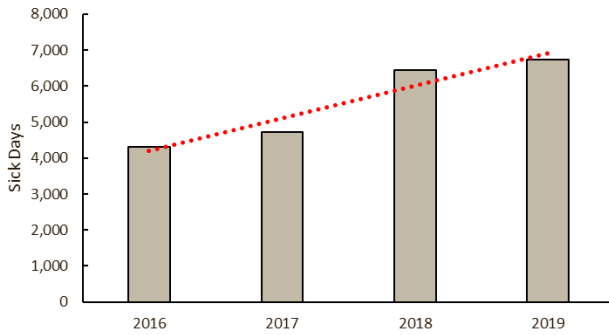


2019 OT Breakdown - Department

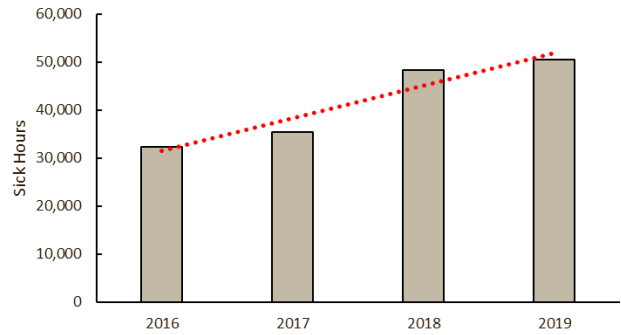


Overtime Breakdown						
Year	Sum of Gross YTD	% Change Year to Year (\$)	Sum of Hours YTD	% Change Year to Year (Hrs)	FTEs	% Change Year to Year (FTEs)
2016	\$ 1,532,294		28,339		761	
2017	\$ 1,686,581	10%	30,426	7%	762	0%
2018	\$ 2,191,688	30%	40,260	32%	766	1%
2019	\$ 2,250,114	3%	40,830	1%	773	1%
2016 to 2019 Comparison	\$ 717,820	47%	12,490	44%	12	2%

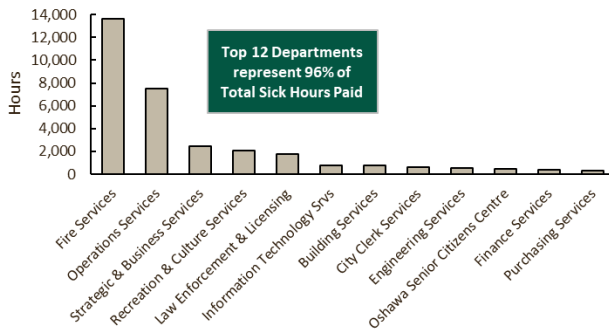
Ttl Sick Days Used - 2016 to 2019



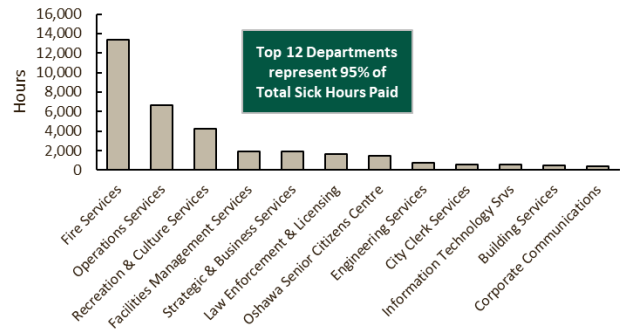
Ttl Sick Hours Used - 2016 to 2019



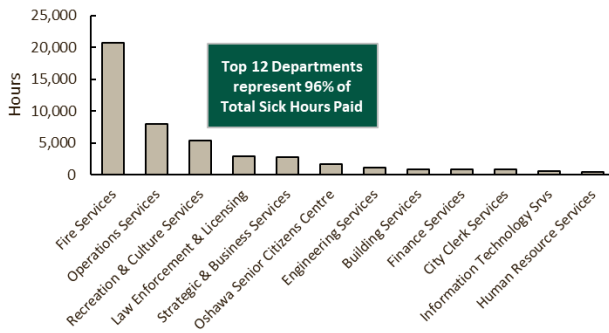
2016 Sick Hours Breakdown - Department



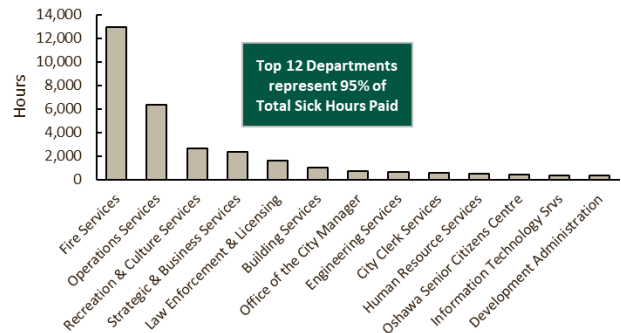
2017 Sick Hours Breakdown - Department



2018 Sick Hours Breakdown - Department



2019 Sick Hours Breakdown - Department



Sick Leave Breakdown				
Year	Ttl Employees	Ttl Sick Hours Used	Ttl Sick Days Used	% Change
2016	761	32,345	4,313	
2017	762	35,494	4,733	10%
2018	766	48,386	6,451	36%
2019	773	50,530	6,737	4%
2016 to 2019 Comparison	12	18,185	2,425	56%

Highlighting Fire Services

As highlighted in the statistics the area with the most significant sick and overtime costs is the Fire Services. Oshawa Fire and management has extensive tracking and has undertaken several attempts to manage the issue. The trending and analysis over several years on the issue point to some interesting trends:

- In 2018 overtime costs for the suppression staff peaked in August of the year. The next highest months were June and July. Overtime for these three months have increased significantly each year from 2016. The same increasing trend in overtime in the summer months has also occurred in the communications group.
- There are heavy occurrences of sick time on Tuesdays and Saturdays.

Though management has made significant efforts to manage these issues it is still a significant cost pressure on the department.

Municipalities across the Province are also dealing with the costs associated with presumptive legislation for Fire workers for Cancer and Post Traumatic Stress Disorder (PTSD). The City of Oshawa has experienced claims in this area including PTSD claims in their communications department. MNP acknowledges the seriousness of these issues from a human level on the impacted employee and the requirement for the appropriate management of these claims to ensure employees who are impacted are treated appropriately. However, this is relatively new legislation in the Province and the City needs to continue to look at measures to ensure the appropriate management processes are in place to reduce the risks and costs proactively. This will be a difficult issue for the City, the push and pull on the issue was recently demonstrated earlier this year in a Toronto Star article by Jeremy Grimaldi *“PTSD concerns take centre stage after firefighters’ refusal to clean up traumatic scene led to more Hwy. 400 chaos”* (<https://www.thestar.com/news/gta/2019/07/17/ptsd-concerns-take-centre-stage-after-firefighters-refusal-to-clean-up-traumatic-scene-led-to-more-hwy-400-chaos.html>)

9.0 CROSSING GUARDS

Current State: The City of Oshawa hires unionized crossing guards as part-time employees during the school year. The provision of crossing guards is a municipal responsibility in Oshawa. This responsibility is founded in the Highway Traffic Act (Section 176): “A school crossing guard means a person sixteen years of age or older who is directing the movement of persons across a highway and who is employed by a municipality or employed by a corporation under contract with a municipality to provide the services of a school crossing guard.”

Opportunity: The crossing guard portfolio is not an immaterial portfolio with wage costs exceeding \$1 million as outlined below and one that has challenges related to maintaining staffing levels. The staffing level challenges relate to significant scheduling challenges and turnover as individuals who are attracted to this type of employment opportunity, which is part time in nature and seasonal, are not taking the job as a primary income source and as such are more susceptible to turnover. When absences or sick time occur, there are challenges backfilling the positions as the City does not have an employee pool that is easy to pull from. It should be noted that current staff from traffic operations backfill crossing guards which is an expensive and ineffective solution.

MNP would also note that the nature of the file does attract significant management oversight.

X-Guard Breakdown	Hours	Rate	Paid
Regular Labor Part-time	51233	\$ 19.77	\$ 1,013,092
Bereavement	115	\$ 19.44	\$ 2,232
Family Leave	21	\$ 49.12	\$ 1,019
ESA Paid Emergency Leave	20	\$ 18.21	\$ 367
ESA Unpaid Emergency Leave	10	\$ 19.01	\$ 181
Sick	711	\$ 22.23	\$ 15,811
Sick Credits Crossing Guards	781	\$ 20.03	\$ 15,636
Stat Holiday	102	\$ 49.12	\$ 4,986
Vacation Day	145	\$ 49.12	\$ 7,123
Additional Hours for Crossing Guards	764	\$ 22.27	\$ 17,024
Total Paid	53901		\$ 1,077,471

There is a potential opportunity to look for a contract provider that would be better aligned with this function and would have a labour pool that is more flexible to manage the requirements (for example a security firm).

A provider that could integrate or utilize a core block of work from the crossing guard requirement could obtain cost efficiencies which would be passed onto the municipality via a competitive procurement process.

In this case the municipality could obtain raw cost savings as well as savings related to the reduced management of the file.

Disadvantages/Risks: The issue of contracting out this service would have some challenges including:

- **Supplier Risk** – There is always risks related to the service provider being able to undertake the service at an appropriate level of service. This risk could be mitigated or managed by contracting out a portion of the service and then evaluating the results.
- **Labour relation risk** – There could be contractual risks related to the contracting out of this service.

10.0 STREETLIGHT & STREETLAMP REPAIR

Current State: The streetlight and streetlamp repair services are a road safety necessity for the community of Oshawa. The City of Oshawa completes all the repairs for streetlights and streetlamps which leads to costs.

Opportunity: There is opportunity to move the streetlight and streetlamp repair service to the Oshawa Power & Utilities Corporation (OPUC). There have been previous discussions around OPUC taking over this repair service as OPUC is already the service provider for certain repairs (lighting projects) outside of streetlights and streetlamps.

By moving this service to OPUC, the City of Oshawa could save on contracted costs associated with the repairs of streetlight and streetlamp. The nature of the savings would have to be vetted through a formal procurement process. In 2018, the budget spent was \$140,251, with the 2019 budget annualized at \$169,181.

Impact Quantification	
Recapture Rate	Annualized Savings Opportunity
50%	\$84,500
75%	\$126,750
100%	\$169,000

Disadvantages/Risks: Due to the public facing nature of the service there would be transition issues to switching to a new supplier. Also, the crew size for typical repairs would be 2 people however larger repairs such as underground faults would require additional crews. Several questions and concerns would need to be resolved through a formal procurement process:

- Can OPUC maintain the current level of service that our contractor provides?
- Can OPUC provide detailed invoicing and records for the City to produce in legal cases?
- Can OPUC provide enough storage facilities for streetlight inventory?
- Does OPUC have enough staff to go above and beyond regular maintenance?
- Would OPUC be taking over the asset and/or maintenance?
- Could OPUC Troubleshoot problem areas, coordinate special repairs, and communicate updates to City staff, all in a timely manner?

11.0 NATURALIZATION

Current State: The City of Oshawa has large areas of green space that are maintained but not heavily utilized. While the City of Oshawa has a 'Bee City Designation', these green spaces are maintained in a way that hinder the regeneration of the bee population while costing the City of Oshawa in maintenance and operational fees.

Opportunity: There is opportunity to save costs on maintenance fees such as grass cutting and investments in horticulture if the areas of space are naturalized. In addition to the immediate financial impacts, this naturalization opportunity will improve the regeneration of the bee population in the City of Oshawa. Park Operations will be looking to naturalize between 10% to 20% of their park's acreage.

The savings breakdowns are as follows – looking at a combined Contractor and In-House Model.

Contracted Services		
	Cost	
Total HA:	174.16	
Average cost per HA:	\$166.07	
Total Cost per Cut:	\$28,922.75	
Annual Cost	\$375,995.77	
Contracted Services		
	Cost/Year	Savings/Year
Naturalization of 10%	\$338,396.19	\$37,599.58
Naturalization of 15%	\$319,596.40	\$56,399.36
Naturalization of 20%	\$300,796.61	\$75,199.15
In-House Services		
	Cost	
TOTAL HA:	354.17	
Average cost per HA (Loaded):	\$35.00	
Total Cost per Cut	\$12,395.95	
Annual Cost	\$322,294.70	
In-House Services		
	Cost/Year	Savings/Year
Naturalization of 10%	\$290,065.23	\$32,229.47
Naturalization of 15%	\$273,950.50	\$48,344.21
Naturalization of 20%	\$257,835.76	\$64,458.94
Combined In-House & Contracted Cost Savings		
	Cost/Year	Savings/Year

Contracted Services		
Naturalization of 10%	\$628,461.42	\$69,829.05
Naturalization of 15%	\$593,546.90	\$104,743.57
Naturalization of 20%	\$558,632.37	\$139,658.09

Impact Quantification	
Recapture Rate	Annualized Savings Opportunity
10%	\$70,000
15%	\$105,000
20%	\$140,000

Disadvantages/Risks: The naturalization of spaces will also create “hiding places” and reduced sightlines allowing for undesirable or unsafe activities in the parks, creating more of a challenge for security and police. This opportunity may lead to public complains associated with naturalization such as allergies, ticks, aesthetic concerns and weed transfer to properties.

12.0 FIRE SERVICES

Current State: As noted earlier, Fire Services operates within the average per capita costs for departments in Ontario. We would also suggest that the City of Oshawa look at another benchmark: cost per hour of vehicle service. This benchmark is tracked by the MBN Canada (Municipal Benchmarking Network) is a unique look at the cost of the department. The value of Fire Services is directly linked to the resources it can deploy to emergency situations (or in other words vehicle service hours). Currently the City of Oshawa maintains eight vehicles in service daily or provides 70,080 hours per year. The cost of Fire Services is approximately \$28.3 million or a cost per hour of approximately \$405 per hour. This would place the City above the median average in the MBN study. The City of Oshawa could look to evaluate this benchmark historically and moving forward as another cost focused benchmark.

MNP understands that the City of Oshawa is currently updating its Fire Master Plan and Community Risk Assessment which will have implications to the following observations.

During our review MNP identified a few areas where the City could undertake further review and study in the department's operations:

Fleet procurement – Currently, Fire Services acquires vehicles on a situational basis or occurrence basis. Consideration should be looked at developing a strategy to select a vehicle strategy to better standardize the equipment. MNP notes that with Fire Trucks due to the long life of the assets standardization is more difficult.

The standardization of fleet equipment can create the following advantages:

Lower Cost – By selecting a standard platform for a vehicle and committing to purchasing the platform vehicle over several years, the Fire department may realize larger savings on the equipment. These savings can be increased further if the Fire department could combine the contract with another department.

Lower Inventory Levels – By having a consistent platform, the amount of spare inventory could be reduced as you have less model deviations.

Increased Operational Efficiencies – By having platform equipment, there should be realized time savings in the mechanical department as they would work on consistent vehicles. Additionally, from an operational point of view the firefighters would gain increased familiarity with vehicle layouts and performance.

Fleet Mix: Currently the City of Oshawa does not utilize lighter duty vehicles that would have a two-man crew. The use of smaller vehicles with a lower minimum crew requirement have been utilized by other City's Fire Services to increase the Service's flexibility. The smaller vehicles can be utilized for medical and other calls and be deployed in addition to pumper crews. The use of these vehicles could reduce long term capital costs and operating costs as they would extend the use and life of the pumper trucks.

If the City is required to increase the size of the Fire service, the incremental addition of a smaller vehicle with lower manning requirements into the existing station network could provide the City with a lower investment level for expansion.

Alternative Staffing Scheduling: Alternatives to the current staffing methodology should be reviewed to see if they can generate positive impacts on operating costs.

Communications Cost Recovery: Currently the City of Oshawa does not incorporate capital costs associated with communications in its charges to other communities for dispatch services. With the potential of next generation communication equipment upgrades in the future, this should be reviewed further.

Overall: The above suggestions would require additional investigation and review by Fire Services and City management to develop more fulsome business cases on these items.

13.0 PARTNERSHIP AND COLLABORATION

Current State: The Province of Ontario launched a review of regional governments in Ontario in January of this year. In October, the Province said that it would not look to undertake a “top down approach” to municipal governance. The government did announce additional funding for service reviews and would entertain suggestions from municipalities for increased collaboration to improve services and or reduce costs.

Opportunity: Oshawa has undertaken a number of cost saving and continuous improvement strategies and has realized savings and efficiencies. The ability to continue to find material savings and efficiencies decrease over time. However, the ability to look at service delivery in combination with other municipalities can provide municipalities with a new range of opportunities to obtain scale and efficiencies.

The City of Oshawa should look to enter into formal discussions with the Region and or other lower tier municipalities for opportunities to deliver services in partnership or collaboration. These are complex arrangements and significant evaluation, analysis and planning has to be undertaken. However, opportunities for new partnership structures can be looked at in a number of areas including but not limited to:

- Administrative Functions
- Pooled fixed assets
- Fire, Fire Inspection, Training, Fire Communication
- Waste management
- By-law enforcement

Risks and Disadvantages: As noted these are complex arrangements with significant challenges on governance, management structure, employee management, service level setting as well as other issues.

APPENDIX A – BENCHMARK COMPARABLE

	Net Cost per Capita		Net Cost per 100,000 in CVA	
General Government	\$	127	\$	109
Average	\$	104	\$	77
Median	\$	91	\$	57
From Median		40%		91%

Fire	\$	177		NA
Average	\$	166		NA
Median	\$	166		NA
From Median		7%		NA

Protective Inspection	\$	28	\$	24
Average	\$	16	\$	11
Median	\$	14	\$	9
From Median		100%		167%

Roadways - Paved	\$	22	\$	19
Average	\$	70	\$	46
Median	\$	51	\$	28
From Median		-57%		-32%

Traffic Operations	\$	33	\$	28
Average	\$	46	\$	28
Median	\$	33	\$	21
From Median		0%		33%

Winter Control	\$	33	\$	28
Average	\$	35	\$	22
Median	\$	29	\$	18
From Median		14%		56%

Street Lighting	\$	10	\$	9
Average	\$	13	\$	10
Median	\$	12	\$	8
From Median		-17%		13%

	Net Cost per Capita		Net Cost per 100,000 in CVA	
Waste Collection	\$	28	\$	24
Average	\$	9	\$	8
Median	\$	8	\$	5
From Median		250%		380%

Recreation	\$	9	\$	8
Average	\$	21	\$	26
Median	\$	17	\$	11
From Median		-47%		-27%

Recreation Facilities	\$	82	\$	70
Average	\$	68	\$	50
Median	\$	63	\$	40
From Median		30%		75%

Library	\$	51	\$	44
Average	\$	46	\$	32
Median	\$	47	\$	32
From Median		9%		38%

Cultural	\$	11	\$	9
Average	\$	15	\$	12
Median	\$	10	\$	7
From Median		10%		29%

Below Median	At Median +/-10%	Above Median
Paved Roadways	Fire	General Government
Street Lighting	Traffic Ops	Protective Inspection
Recreation	Library	Winter Control
	Culture	Waste Collection
		Recreation Facilities

APPENDIX B – LISTING OF RFPS REVIEWED

The following is a list of the RFPs analyzed.

Number	Name
C2017-025	ATM Services
C2017-035	Audio System Upgrade
C2017-043	Oshawa Senior Citizens Centre Food Services
C2017-068	Veterinary Services
C2017-073	Ice Plant Maintenance
C2017-092	Work Management Software
C2017-105	O.S.C.C. Rebranding
C2017-110	H.V.A.C. Repair & Maintenance
C2017-115	PBX & Network Infrastructure Support
C2017-119	Fire Trucks
C2018-001	Web Streaming & Closed Captioning
C2018-004	Pay & Display Parking Equipment
C2018-012	Columbus Area Part II Plan
C2018-016	IT Cyber Assessment
C2018-020	Second Marsh Management Plan
C2018-022	Benefits Provider(s)
C2018-029	Forestry Inventory & Data Collection
C2018-042	Roof Replacement, Columbus Community Centre
C2018-054	P.A. System, City Hall
C2018-057	Consultant for Design of Culvert Replacement
C2018-060	Marriage Officiant
C2018-067	Design & Build Soccer Field Drainage
C2018-068	HR & Payroll Technology Consultant
C2018-074	Roundabout Design - Conlin Road and Grandview Street North
C2018-076	Parking Study
C2018-079	Cemetery Monuments, Markers & Inscription Service
C2018-084	Daily Courier Services
C2018-093	Lakefront West Park Assessment
C2018-105	Corporate Security Services
C-2019-018	Uniforms
C-2019-020	Large Format Scanners
C-2019-028	Environmental Assessment, Windfields Connection
C-2019-031	Irrigation Systems
C2019-033	Information & Records Management Strategic Plan
C2019-035	Information Technology Strategic Planning
C-2019-045	Fire Master Plan Consultant
C2019-048	Harbour Lands Feasibility Study
C-2019-052	Roof Repair and Maintenance
C-2019-055	Aerial Platform Fire Truck
C-2019-058	Tennis Court Restoration
C-2019-059	Multi Use Path Design, Thornton Road and Taunton Road
C-2019-060	Playground and Splash Pad Redevelopment, Lakeview Park
C-2019-064	Dr. Blake Parkette Development
C-2019-065	Biennial Municipal Structure Inspection
C-2019-068	Supply and Delivery of Waste Receptacles
C-2019-071	Culvert Design
C-2019-072	Design & Administration of Sandy Hawley Park
C-2019-075	Radio Park Redevelopment

MADE ^{IN} CANADA

And Proud of it!

At MNP we're proud to be the national accounting, tax and business consulting firm that is 100% Made in Canada.

Why is this important? Because it defines who we are and our approach to business. It has helped shape our values, our collaborative approach and the way we work with our clients, engaging them every step of the way.

Our history gives us a unique perspective. We know Canada because we are a part of Canada. All of our decisions are made here – decisions that drive Canadian business and help us all further achieve success.

And the sense of strong Canadian commitment, being a part of every community we live and work in, and always being there through prosperous and challenging times.

Being 100% Canadian is something we wear proudly because we know the great opportunities that exist here. The opportunities that have been afforded to our firm, the same opportunities that we deliver to our clients.

