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## **Merging, outsourcing internal functions could save city \$20 million, report says**

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The City of Toronto could save \$20 million a year by 2013 if it acted on consultants' suggestions to consolidate, merge and outsource administrative functions.

In its latest service review report, issued Tuesday, consultants KPMG offered a series of ideas to improve management of city buildings, vehicles, computers, pensions and purchasing.

The city hired KPMG to look at all city operations in an effort to control costs. KPMG's reports on various parts of the city are now being released.

The consultants say the 311 service that answers citizens calls for information and assistance could yield savings if some of the activities were shifted to outside call centres.

For example, the public's questions about garbage pickup or water could be outsourced, said Councillor Paul Ainslie, chair of council's government management committee.

"It's not the most sexy stuff but it's all about people's tax dollars," Ainslie said. "If we could merge or rationalize a number of these services, you'll see savings."

Specific suggestions from KPMG include:

- Consider outsourcing cleaning and security at city buildings.
- Let fleet services, which handles city vehicles, also look after police, fire and ambulance fleets.
- To beef up purchasing power, use a single purchasing department that would include agencies such as the TTC, which now makes its own purchases.
- Look at outsourcing payroll.

- Merge pension plans for individual entities, including the TTC, into the main OMERS plan for municipal workers.
- Offer people the option of paying property taxes on line.

Ainslie said he agreed with many of the suggestions.

He said he is pursuing the idea of transferring the TTC pension plan to the Ontario Municipal Employees Retirement System (OMERS), which now covers most civic workers in Toronto.

“I’ve already had pushback from the TTC that they can do a better job than OMERS. But we have 22 people at the TTC looking after the pension plan and as far as I’m concerned, the priority should be moving people from point A to Point B, not running a pension plan.”

Ainslie said in real estate, there are building managers embedded in various parts of the city rather than being coordinated through a single entity.

“We as a city have a facilities and real estate department, but the library’s got a real estate department, the TTC has a real estate department. We’d like to look at merging them together.”

Ainslie said the lack of co-ordination in computer functions “is one of the biggest things that makes me grind my teeth.”

“Across our divisions and agencies, boards and commissions, we all have different accounting software, some of it quite antiquated. It’s a lot of backroom stuff that needs to be looked at, cleaned up and made to operate more cohesively.”

Because it’s back office functions people don’t see, Ainslie said he expects the committee to embrace the consultants’ suggestions when it meets next Tuesday.

“If we can find savings in our area without affecting frontline staff, I would think the committee will buy in,” he said. “And I think the public will appreciate it if we can achieve \$20 million in savings.”