

Subject: Shared Services Update

Report to: Planning and Economic Development Committee

Report date: Wednesday, October 9, 2024

Recommendations

1. That Report PDS 29-2024 **BE RECEIVED** for information.

Key Facts

- This report provides an update on the first phase of shared service initiatives, as prioritized by the Area Chief Administrative Officers (CAOs) Shared Services Working Group and identifies its work plan leading into 2025.
- Following the last joint update report (PDS 9-2024), the Region and Area Municipalities (AMs), led by the Area CAOs, have continued working on the Building Services Review, Joint Procurement shared service initiatives, the Climate Change policy alignment; as well as commencing work on two additional policy alignment opportunities.

Financial Considerations

All costs associated with supporting, executing, or implementing any new shared service initiatives would be the subject of subsequent reports to Council if undertaken outside of identified operating budgets. Where financial implications to enacting shared service changes impact AMs, those activities would not proceed to implementation without express collaboration and consent of the affected and respective AMs.

Staff continue to monitor federal and provincial grant opportunities as a possible offset for the exploration and execution of new, high impact or high complexity shared services initiatives. For example, the Region's Association of Municipalities Conference Delegations to the province includes a request that the Treasury Board reintroduce and expand the Municipal Modernization Program so that it applies to regional governments and two-tier shared services arrangements.

Analysis

Area CAOs and the Strategic Transformation Office's dedicated resources for shared services continue to collaborate on the numerous areas of focus for exploring and expanding more shared service opportunities that have a widespread impact to the community. As referenced in PDS 9-2024, a shared service structure aims to bring together resources, functions, processes, and skills from different groups to create economies of scale, increase standardization, pool skill sets, and generate the critical mass required to yield a positive return.

As identified in PDS 9-2024, the Area CAOs have formed a consensus around the principles of why shared services are important to move our communities toward more resilient, sustainable, and efficient governments. These principles will continue to be applied when exploring, evaluating, and implementing shared service initiatives across and among Niagara's 12 municipalities and the Region.

Progress Update

The Strategic Transformation Office, in partnership with Area CAOs, have continued work on the Building Services Review and Joint Procurement initiatives and the Climate Change policy alignment. In April and May, two additional policy alignments were initiated: Diversity, Equity, and Inclusion (DEI) and Accessibility Compliance.

Building Services Review

The Building Services Review aims to coordinate building services across Niagara with the purpose of establishing consistency, seamlessness, and modernization through the review of the building permit and inspection processes. This includes:

- Maximizing resource sharing and workflow, including streamlining the overall process;
- Improving access to a wider range of qualified staff;
- Identifying gaps, overlaps, or inconsistencies; and,
- Documenting all elements of the processes.

Phase 1 of this work plan is underway, and the Strategic Transformation Office continues to work with the Chief Building Officials of Niagara (CBON) to bring about more consistency across municipalities while enhancing customer service and building

capacity within the building departments. Additionally, in 2024 Ontario released a new Building Code that aims at reducing regulatory burdens for the construction industry, increasing the safety and quality of buildings, making it easier to build housing, and harmonizing with the National Construction Codes.

The continued engagement and collaboration with CBON, the Area CAOs leadership on this initiative, and the support of the Strategic Transformation Office, are allowing for the tangible workplan to advance in a collaborative, strategic and organized manner.

As mentioned in PDS 9-2024, this initiative is taking a two-phased approach. The success in Phase 1 of the Building Services Review (2024) will demonstrate significant improvement in consistency, resourcing, process, capacity building and customer service across the building services function in Niagara. This is the exclusive aim of Phase 1 and will deliver clear and measurable outcomes. Phase 2 of the Building Services Review (proposed to commence in 2025) will explore and identify future opportunities, including additional process and resource benefits that could be realized via potential future governance models. No decisions on Phase 2 commencement or activities will proceed without the Area CAO Working Group evaluating potential benefits and providing direction on scope. Any activities requiring Council direction would be brought forward as necessary by respective CAOs.

Joint Procurement

The Joint Procurement initiative is aimed at identifying opportunities between municipalities and/or with the Region for joint procurement, streamlined service delivery, and administrative coordination. In the first quarter of 2024, the Strategic Transformation Office initiated discussions with Niagara's Public Works Officials (PWO) to identify opportunities to expand or implement joint contracts with the Region and among Niagara municipalities. In June, the Strategic Transformation Office expanded engagement to the Niagara Operations Working Group (a subset of staff within municipal Public Works) to discuss details of these opportunities and establish working groups for aligning scope, structure, and procurement timelines.

In May 2024, the Strategic Transformation Office met with the Niagara Public Purchasing Committee (NPPC) which is "a group of public sector and broader public sector agencies working together to promote efficiency, economy, and effectiveness in the purchasing management field"¹. This group includes procurement representatives

¹ [Niagara Public Purchasing Committee Home Page](https://www.nppc.ca/) (https://www.nppc.ca/)

for all twelve municipalities, as well as other large public sector organizations within the region. In this meeting, there was productive and informative discussion around opportunities and considerations for joint procurement. At that time, NPPC representatives identified that the second area of focus for the Joint Procurement Initiative should be Facilities, as the group discerned both administrative benefits, as well as volume of procurement contracts. A working group is being established with representatives from all twelve municipalities and the Region's Construction, Energy and Facilities Maintenance (CE&FM) team, to initiate review of this second focus area for new joint procurements.

Climate Change Policy Alignment

The Climate Change policy alignment project was the first to be initiated in December 2023 with all twelve municipalities opting in to participate. Regional staff, in collaboration with the Area CAOs and Niagara Climate Change Municipal Community of Practice (NCCMCP) representatives, have identified the supports required to action the work plan items and continue pursuing the desired outcome to be consistent and effective within and among AMs on climate change initiatives.

In March 2024, the Region's climate change and energy management subject-matter experts, provided a Conservation and Demand Management (CDM) Plan Backgrounder to all AMs to kick-off the first work plan item. A CDM plan is required under the province's Electricity Act for all public sector entities every five years. In order to develop/update these plans, the Strategic Transformation Office, in collaboration with the Region's climate change team, facilitated a workshop with Local Authority Services (LAS) to provide further information on developing a CDM plan and available resources to complete one. Following the workshop, six AMs are now working with LAS to develop/update their CDM plans to be compliant with the Act.

Additionally, the second work plan item has been initiated by the Strategic Transformation Office, in consultation with the Region's climate change team, to draft a scope of work for Climate Action Plans (CAP). This scope of work, once developed, will include documenting a baseline emissions inventory, setting emissions reduction targets, and developing an action plan that outlines how municipalities will achieve the emissions reduction target through municipal operations and/or community-based initiatives. Nine AMs have opted-in through an initial survey to participate in discussions for jointly procuring a consultant to complete this scope of work. This will be further refined as scope, timelines, and costs are finalized. Once the CAPs are complete, this

will initiate the third work plan item for AMs (that choose to opt-in) to share a staff resource. The CAP will serve as a work plan for this shared resource.

Diversity, Equity, and Inclusion (DEI) and Accessibility Compliance Policy Alignments

The primary goal of all policy alignment initiatives is to collaborate across Niagara municipalities to improve municipal government effectiveness and efficiency. This includes:

- Build capacity and address resource gaps by facilitating knowledge and information sharing.
- Establish policy baselines and opportunities for alignment.
- Support compliance efforts for requirements mandated by the province.
- Pursue cost savings or reduction in resources, where possible.

To initiate the DEI and Accessibility Compliance work, the Strategic Transformation Office has conducted a survey to establish a baseline of associated work undertaken by municipalities thus far. This survey was completed in consultation with the Region's subject-matter experts and in keeping with the consistency of asking for AM input. Both surveys were sent to each municipality for completion by the Area CAO and their appropriate staff.

Based directly on the AMs survey results, a work plan was developed using legislative requirements, where applicable, and municipal best practices to foster collaboration and coordination. Regional staff, in collaboration with the Area CAOs and AM subject-matter representatives, will identify the resources and support required to action the work plan items. The Strategic Transformation Office will help provide leadership, resources and/or facilitation to assist with executing the work plans – to drive collaborative, effective and meaningful shared service delivery.

Second Phase Shared Service Initiatives

As work continues to progress on the first phase of shared service initiatives, the Strategic Transformation Office in collaboration with the Area CAOs, has documented the work plan leading into 2025. Expanding on the collaborative efforts already underway with the three policy alignments referenced above, two additional ones will be

initiated in 2025 – human resources and cybersecurity. These two new initiatives will follow a similar process as the other policy alignments, including the baseline survey with the AMs to narrow the scope of opportunity, and subsequent development of working groups (if one does not already exist) to ensure alignment of requirements.

Within the Joint Procurement initiative, which is well underway with public works and facilities contracts, there will be additional areas that will be assessed to determine what opportunities exist for expanding on or creating new joint procurements. These areas are Finance, IT, and Emergency Services – all of which will be evaluated in collaboration with existing working groups (e.g., Area Treasurers, Niagara Area Municipal Information Consortium). In addition to increasing joint procurement, Phase 2 of this initiative will commence in the first quarter of 2025. Phase 2 will encompass a review of procurement from an administrative perspective. It will consist of a process review for each municipality, and a policy framework assessment. The objective is to increase capacity through education and improvement, while also exploring alternative procurements models to streamline and modernize the procurement process. Furthermore, with the upcoming municipal election, AMs will evaluate repeating the process from the 2022 election to jointly procure an electronic voting system, through the collaborative efforts of Niagara’s Area Clerks. This will minimize duplication of efforts, increase services at a reduced cost and ensure consistent customer service delivery across the participating municipalities.

One of the other larger shared service initiatives that the Area CAOs have identified for exploration is a road maintenance review. This review will coincide with a Public Works project and should be completed in close collaboration with the project team. To ensure alignment, the road maintenance review will be scoped and structured to reduce duplicative efforts and complement the work being completed by Public Works. The Strategic Transformation Office will be involved in the assignment to advise on shared services impacts and scalability in the long-term.

Alternatives Reviewed

Regional Council has identified a more Effective Region as a core Strategic Priority, including specific deliverables related to identifying, advancing, and implementing shared services. The Strategic Transformation Office, in working closely with the Area CAOs, are focusing the path ahead on the prioritized initiatives to meet shared Niagara and provincial objectives for more effective government and increasing housing supply.

As an alternative, the Strategic Transformation Office could opt to not support the AMs on the identified shared service initiatives (building services and procurement) and focus efforts on other assignments. However, these priorities were identified by the Area CAOs, and the Region is working collaboratively with them to advance the agreed upon work plans. Other priorities could certainly be identified for exploration; however, having buy-in from Area CAOs on the focused priority projects allows for a coordinated, engaged, and collaborative path forward. This report has been not only jointly reviewed and has contributions from the Area CAOs, but this report will also be circulated by the Area CAOs to their respective Councils as needed or as appropriate, and positively lead the contributions on behalf of their municipality.

As projects are initiated and explored, new and emerging ones will take their places as the Area CAOs continue to work through these opportunities and seek ways to meet their common objectives. The Region will have varying roles for each of the shared service initiatives identified by the Area CAO Shared Services Working Group; but through the Strategic Transformation Office will help provide leadership, resources and/or facilitation to assist with executing initiatives which involve multiple AMs – to drive collaborative, effective and meaningful shared service delivery.

Relationship to Council Strategic Priorities

The proposed shared services work is directly related to Council's Strategic Priority of an Effective Region and advances Objective 1.1 "Implement continuous improvement and modernized processes to ensure value-for-money in regional services and programs"; and Objective 1.2 "Explore and implement opportunities to improve service delivery outcomes through shared services".

The continued pursuit of shared service opportunities to transform service delivery also advances the Guiding Principles of fiscal responsibility; innovation; sustainability; partnerships; and transparency and accountability.

Other Pertinent Reports

[PDS 9-2024 Shared Services Update](#)

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=e32f76c9-d12f-482c-9109-986f7ed6c503&Agenda=Agenda&lang=English&Item=15&Tab=attachments%C3%A2%E2%82%AC%E2%80%B9>)

[PDS 30-2023 Areas of Strategic Focus for Shared Services](#)

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=37294983-8faf-46b5-ab3b-38efc44d4267&Agenda=Merged&lang=English&Item=24&Tab=attachments>)

[PDS 10-2023 Strategic Transformation Office – Overview and Priorities](#)

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=ba3afccd-9ec1-4a45-a788-0976926cb376&Agenda=Merged&lang=English&Item=15&Tab=attachments>)

[CAO 2-2023 Update on Shared Services Initiatives](#)

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=4ef69423-fb3f-4f15-9b43-7ceadc120106&Agenda=Merged&lang=English&Item=15&Tab=attachments>)

[CAO 2-2021 Update on Shared Services Initiatives by the CAO Working Group](#)

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=a045e2b3-cb2b-4551-a63c-e4498175de88&Agenda=Merged&lang=English&Item=15&Tab=attachments>)

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Appendices

N/A