

## **CITY OF VAUGHAN**

### **EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 8, 2014**

Item 3, Report No. 5, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on April 8, 2014.

### **3                    FUNCTIONAL REVIEW OF ENGINEERING AND PUBLIC WORKS UPDATE**

**The Finance, Administration and Audit Committee recommends:**

- 1)        That the recommendation contained in the following report of the Commissioner of Engineering and Public Works, dated March 31, 2014, be approved; and**
- 2)        That the presentation by Ian Smith, OCG Strategy and Organization Consulting, Yonge Street, Toronto, and C2, presentation material, entitled “*Functional Review – Progress Update, Engineering and Public Works Commission*”, dated March 31, 2014, be received.**

#### **Recommendation**

The Commissioner of Engineering and Public Works recommends:

1.    That this report be received for information.

#### **Contribution to Sustainability**

An examination of the functions within Engineering and Public Works and a re-alignment of those functions will create an organization which can evolve and meet the challenges of the engineering and public works industry. This will enable the Commission to be flexible and adaptable, and therefore, sustainable as the City of Vaughan grows.

#### **Economic Impact**

There are no immediate economic impacts resulting from the adoption of this report.

#### **Communications Plan**

A communication plan has been developed to provide Engineering and Public Works staff with monthly updates of the progress of the project. Monthly reports from the Project Manager, updates from the Commissioner and meetings with the Engineering and Public Works Management Team are being undertaken throughout the project.

#### **Purpose**

The purpose of this report is to inform and update Council at the midpoint of the Functional Review of Engineering and Public Works Project.

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

**The Public Service Renewal status update of October 29, 2013 identified the Functional Review in the Engineering and Public Works Commission**

On October 29, 2013 Council adopted the Public Service Renewal initiatives of the Interim City Manager and the Senior Management Team. The Public Service Renewal report included high level information related to the functional review in Engineering and Public Works.

The report provided a description of the functional review as a review of the business and organizational structure responsible for Transportation, Water, Wastewater, Stormwater and Solid Waste, along with the associated support functions. The benefits/outcomes which were expected from this review were a focus on business accountability in the primary service areas, optimizing service delivery with renewed citizen focus and maximum effectiveness.

## CITY OF VAUGHAN

### **EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 8, 2014**

#### Item 3, Finance Report No. 5 – Page 2

#### **OCG Strategy and Organization Consulting were retained to perform the Functional Review and are on schedule**

OCG consultants have proposed a four phase project to be completed by May 2014. Currently, the consultants have completed phase 1 and 2 of this project and are on schedule.

##### Phase 1

This phase of the project involved refining the project charter, project goals and objectives. The consultants also developed a communication and engagement plan where groups and individuals were identified for interview.

During Phase 1, the purpose of the project was established as:

*To ensure that the Commission continues its primary focus on demonstrated effective service delivery to residents and to the businesses that serve the residents.*

##### Phase 2

This phase of the project involved interviewing City of Vaughan staff and other stakeholders, including:

- Commissioner, Directors, Managers, Supervisors
- Focus Groups made up of front line staff
- Interim City Manager, Executive Director, Commissioners and Directors from all of the other Commissions at the City
- Mayor and Members of Council
- York Region Environment and Transportation Commissioners, respectively
- York Region BILD members

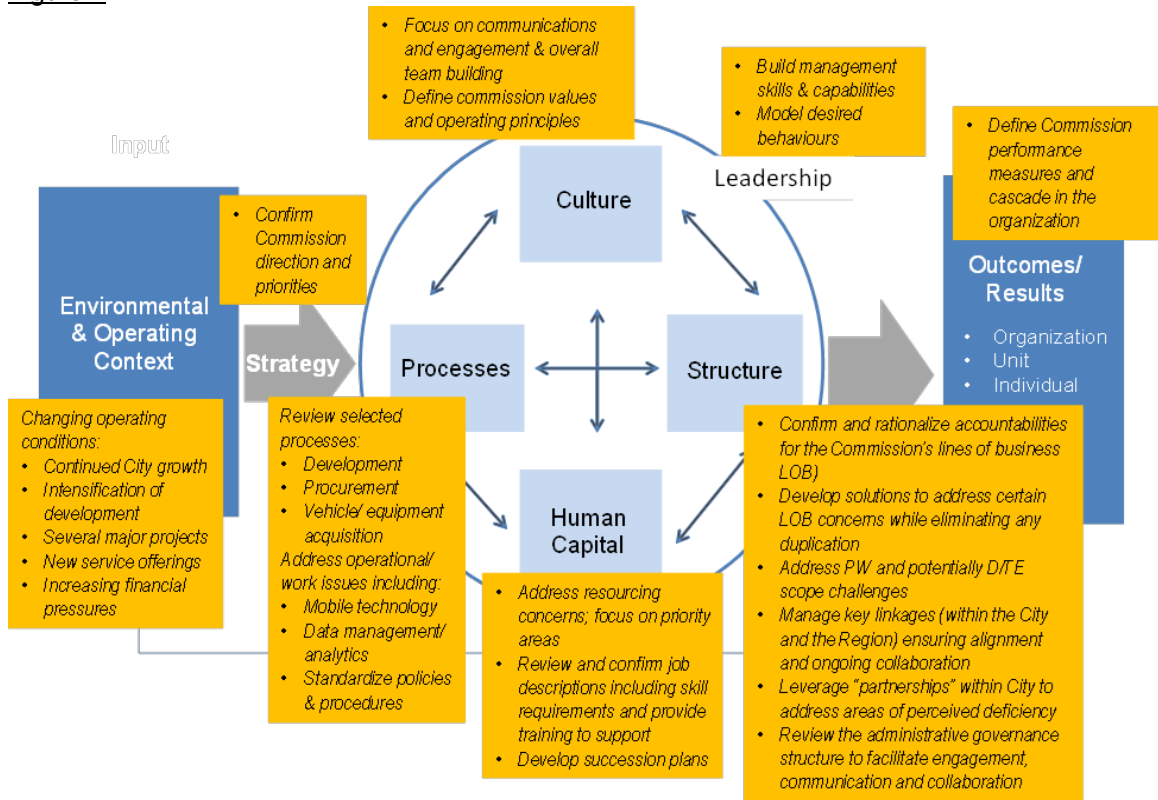
The staff in Engineering and Public Works, who were not interviewed, were invited to fill in a survey which was anonymously submitted to the consultant.

The consultants also interviewed and examined the engineering and public works functions in 10 municipalities within Ontario and across Canada to provide context when analyzing the functions in the Engineering and Public Works Commission.

Phase 2 was completed with the submission of a Progress Update – Appendix 1 to this report.

#### **Progress Update identified key findings and opportunities**

The Progress Update identified key findings and opportunities in four categories: Culture, Structure, Human Capital and Processes. This information is depicted in Figure 1:

**EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 8, 2014****Item 3, Finance Report No. 5 – Page 3****Figure 1**

Although the intent of the functional review was to focus on the functions and alignment of those functions, the interviews revealed areas of opportunity which, when addressed, will support the purpose of the project. Some of the opportunities which can be accomplished in the short term within culture, processes and human capital have already been implemented. These include improved communications amongst the management team and engagement of the Innovation and Continuous Improvement Department to address the development approvals processes employed by both Development Engineering and Planning, and the ongoing Operational Review of Procurement processes.

**Significant linkages in functions between Development Engineering and Planning, and Roads Operations and Parks and Forestry Operations have been highlighted**

The development approval process is a significant process which has been identified as one which needs to be reviewed and refined. It had been made apparent in stakeholder interviews that these linkages necessitate that the organizational ties between the groups responsible for these critical functions should be reviewed as part of the Functional Review.

Furthermore, the work processes these groups share need to be mapped and optimized. The Innovation and Continuous Improvement Department has been engaged to optimize these processes.

As part of the recent addition of the temporary Parks and Forestry Operations division to the Engineering and Public Works Commission, the consultants interviewed Managers, Supervisors and other staff in Parks and Forestry Operations. It was soon identified that the functions related to snow removal and boulevard maintenance by both operations group should be included as part of this functional review.

## CITY OF VAUGHAN

### **EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 8, 2014**

#### Item 3, Finance Report No. 5 – Page 4

#### **Organizational Design Principles were identified to analyze functional alignment options**

The organizational design principles identified in the Progress Update will be used to analyze potential alignment options, and finalize a functional alignment for the Engineering and Public Works Commission. These principles were developed with the purpose of the project in mind and reflect the common themes identified through the interviews. The organizational design principles are:

##### Citizen focused

- Enhance Service to the City's Residents and Businesses that serve the Residents

##### Effectiveness

- Consistent with the Commission Direction
- Facilitating Growth
- Clarity in Focus, Accountability and Service Delivery
- Employee Supportive

##### Efficiency

- Organizational Flexibility
- Streamline Decision Making
- Balance in Scale and Scope
- Manage Key Linkages
- Organizational Efficiency
- Cost Efficiency
- Minimal Organizational Disruption

#### **Next steps in the functional review include options for functional and organizational structure and development of transitions plans**

Phases 3 and 4 of this project will continue until May 2014. Phase 3 will result in a functional alignment and organizational structure which supports the purpose of this project and best meets the organizational design guidelines.

The transition plans developed in Phase 4 of this project will ensure the success in the transition to the new structure. The transition plans will include areas for process development, linkages, roles and responsibilities definition and risk identification.

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

In consideration of the strategic priorities related to Vaughan Vision 2020, the recommendations of the report will assist in:

- Demonstrate Effective Leadership
- Value and Encourage a Highly Motivated and Engaged Workforce
- Attract, Retain and Promote Skilled Staff
- Support the Professional Development of Staff
- Demonstrate Excellence in Service Delivery
- Ensure a High Performing Organization

#### **Regional Implications**

The Functional Review project, once implemented, will improve the delivery of all of the Commission's functions to citizens, businesses that serve the citizens and relationships with all stakeholders, including the Region of York.

**CITY OF VAUGHAN**

**EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 8, 2014**

Item 3, Finance Report No. 5 – Page 5

**Conclusion**

The Functional Review Project remains on schedule and will be completed in May 2014. The final report will be presented to Council at the June 16, Finance, Administration and Audit Committee Meeting.

**Attachments**

Progress Update, March 2014

**Report prepared by:**

Jennifer Rose, Manager, Special Projects, ext. 8745

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)



STRATEGY AND  
ORGANIZATION  
CONSULTING

Where strategy and execution meet

C	2
COMMUNICATION	
FAA -	MAR 31/14
ITEM -	3

March 31, 2014

# **Functional Review – Progress Update Engineering and Public Works Commission**

**Finance, Administration and Audit Committee  
Meeting**



# Functional Review Purpose and Objectives

## Purpose

- To ensure that the Commission continues its primary focus on demonstrated effective service delivery to residents and businesses

## Key Objectives

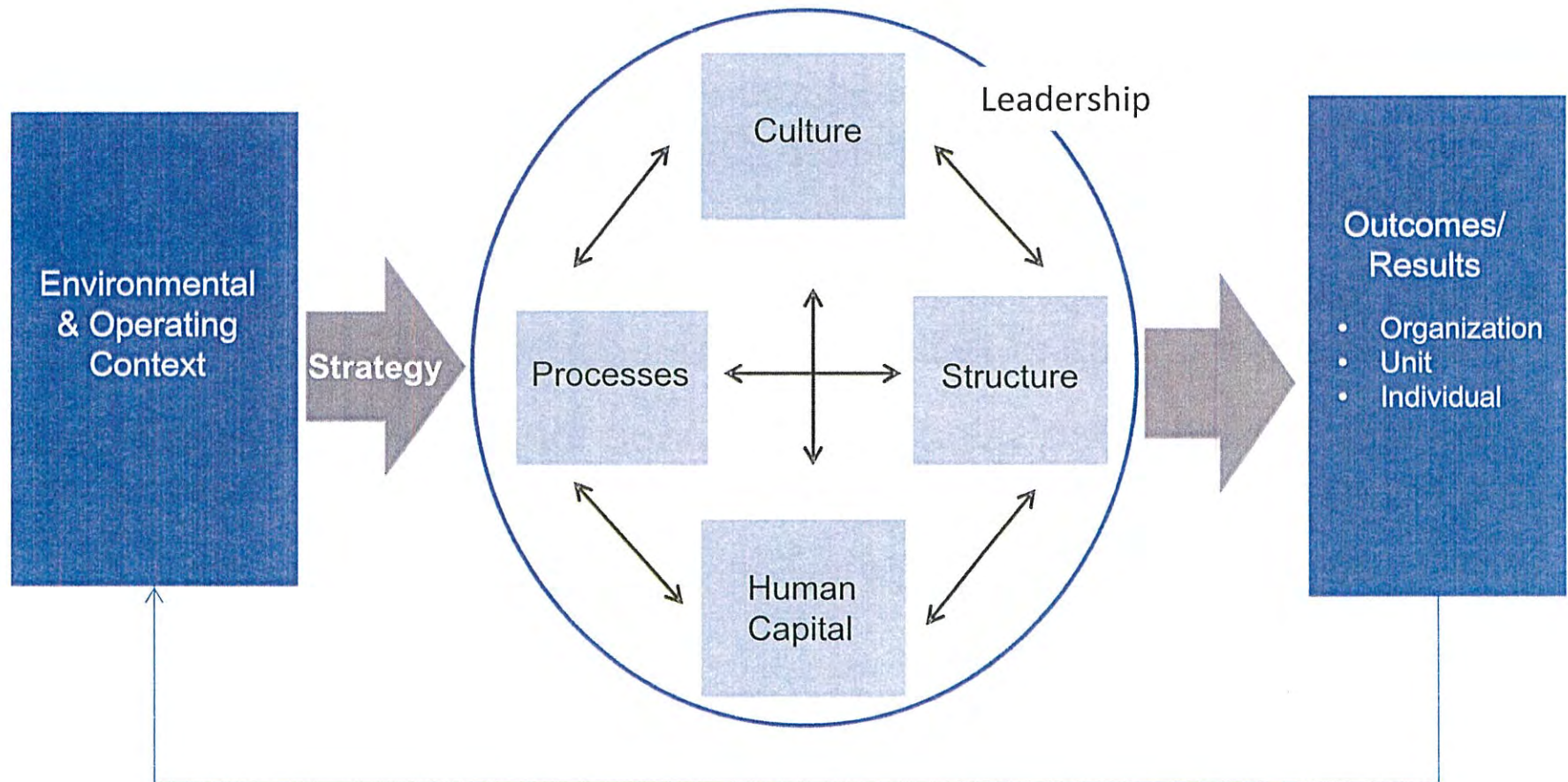
- Clarify the strategic direction for the Commission
- Clarify roles, responsibilities and accountabilities in light of the confirmed lines of business
- Facilitate effective linkages within the City and with other key stakeholders

# Project Engagement and Comparator Analysis

- Conducted 28 interviews involving the Mayor and Members of Council, the Commission's management group, the Interim City Manager, Commissioners of Planning, Finance and City Treasurer, Strategic and Corporate Services, Executive Director, Director of Planning and Regional representatives
- Held 10 focus groups involving over 25 staff within the Commission and representatives of the development community
- All staff in the Commission were provided the opportunity to complete a survey
- Reviewed 10 other municipal jurisdictions – five within the GTA and five from across Canada



# A Model for Defining a High Performing Organization





# Key Findings

- Focus on communications and engagement & overall team building
- Define commission values and operating principles

- Build management skills & capabilities
- Model desired behaviours

- Define Commission performance measures and cascade in the organization

- Confirm Commission direction and priorities

Culture

Leadership

Environment  
al& Operating  
Context

Strategy

Processes

Structure

Outcomes/  
Results

- Organization
- Unit
- Individual

Changing operating conditions:

- Continued City growth
- Intensification of development
- Several major projects
- New service offerings
- Increasing financial pressures

Review selected processes:

- Development
- Procurement
- Vehicle/equipment acquisition

Address operational/work issues including:

- Mobile technology
- Data management/analytics
- Standardize policies & procedures

Human  
Capital

- Address resourcing concerns; focus on priority areas
- Review and confirm job descriptions including skill requirements and provide training to support
- Develop succession plans

- Confirm and rationalize accountabilities for the Commission's lines of business (LOB)
- Develop solutions to address certain LOB concerns while eliminating any duplication
- Address PW and potentially D/TE scope challenges
- Manage key linkages (within the City and the Region) ensuring alignment and ongoing collaboration
- Leverage "partnerships" within City to address areas of perceived deficiency
- Review the administrative governance structure to facilitate engagement, communication and collaboration

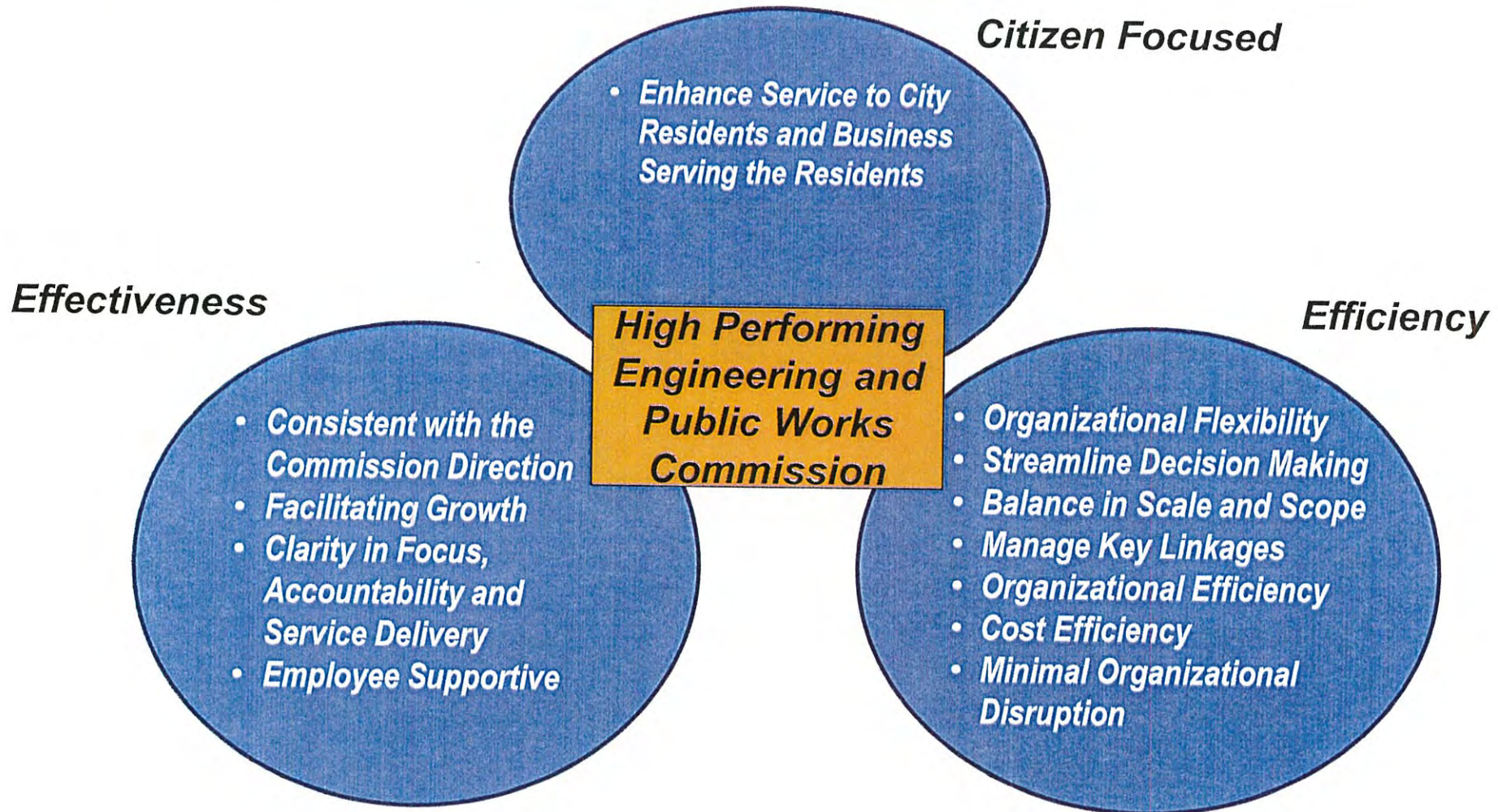


## Review of Other Jurisdictions

- Within the GTA
  - The most common clustering of functions was capital construction, operations and maintenance and infrastructure planning.
  - The actual distribution of functions within these clusters also varied with most having Parks and Roads operations in one department, whereas the location of the Development Engineering function varied between Public Works and Planning
- Other Canadian cities
  - The most common clustering was by function, similar to the GTA municipalities, with some using more a line of business/service approach
- It was also observed that there is an increasing use of utilities by municipalities to address water, wastewater and stormwater management requirements



# Organizational Design Principles – Designing a High Performing Organization





## Next Steps

1. Develop organizational design options
2. Refine/finalize the strategic direction and priorities of the Commission
3. Analyze and finalize organizational design

## **FINANCE, ADMINISTRATION AND AUDIT COMMITTEE – MARCH 31, 2014**

### **FUNCTIONAL REVIEW OF ENGINEERING AND PUBLIC WORKS UPDATE**

#### **Recommendation**

The Commissioner of Engineering and Public Works recommends:

1. That this report be received for information.

#### **Contribution to Sustainability**

An examination of the functions within Engineering and Public Works and a re-alignment of those functions will create an organization which can evolve and meet the challenges of the engineering and public works industry. This will enable the Commission to be flexible and adaptable, and therefore, sustainable as the City of Vaughan grows.

#### **Economic Impact**

There are no immediate economic impacts resulting from the adoption of this report.

#### **Communications Plan**

A communication plan has been developed to provide Engineering and Public Works staff with monthly updates of the progress of the project. Monthly reports from the Project Manager, updates from the Commissioner and meetings with the Engineering and Public Works Management Team are being undertaken throughout the project.

#### **Purpose**

The purpose of this report is to inform and update Council at the midpoint of the Functional Review of Engineering and Public Works Project.

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

##### **The Public Service Renewal status update of October 29, 2013 identified the Functional Review in the Engineering and Public Works Commission**

On October 29, 2013 Council adopted the Public Service Renewal initiatives of the Interim City Manager and the Senior Management Team. The Public Service Renewal report included high level information related to the functional review in Engineering and Public Works.

The report provided a description of the functional review as a review of the business and organizational structure responsible for Transportation, Water, Wastewater, Stormwater and Solid Waste, along with the associated support functions. The benefits/outcomes which were expected from this review were a focus on business accountability in the primary service areas, optimizing service delivery with renewed citizen focus and maximum effectiveness.

##### **OCG Strategy and Organization Consulting were retained to perform the Functional Review and are on schedule**

OCG consultants have proposed a four phase project to be completed by May 2014. Currently, the consultants have completed phase 1 and 2 of this project and are on schedule.

### Phase 1

This phase of the project involved refining the project charter, project goals and objectives. The consultants also developed a communication and engagement plan where groups and individuals were identified for interview.

During Phase 1, the purpose of the project was established as:

*To ensure that the Commission continues its primary focus on demonstrated effective service delivery to residents and to the businesses that serve the residents.*

### Phase 2

This phase of the project involved interviewing City of Vaughan staff and other stakeholders, including:

- Commissioner, Directors, Managers, Supervisors
- Focus Groups made up of front line staff
- Interim City Manager, Executive Director, Commissioners and Directors from all of the other Commissions at the City
- Mayor and Members of Council
- York Region Environment and Transportation Commissioners, respectively
- York Region BILD members

The staff in Engineering and Public Works, who were not interviewed, were invited to fill in a survey which was anonymously submitted to the consultant.

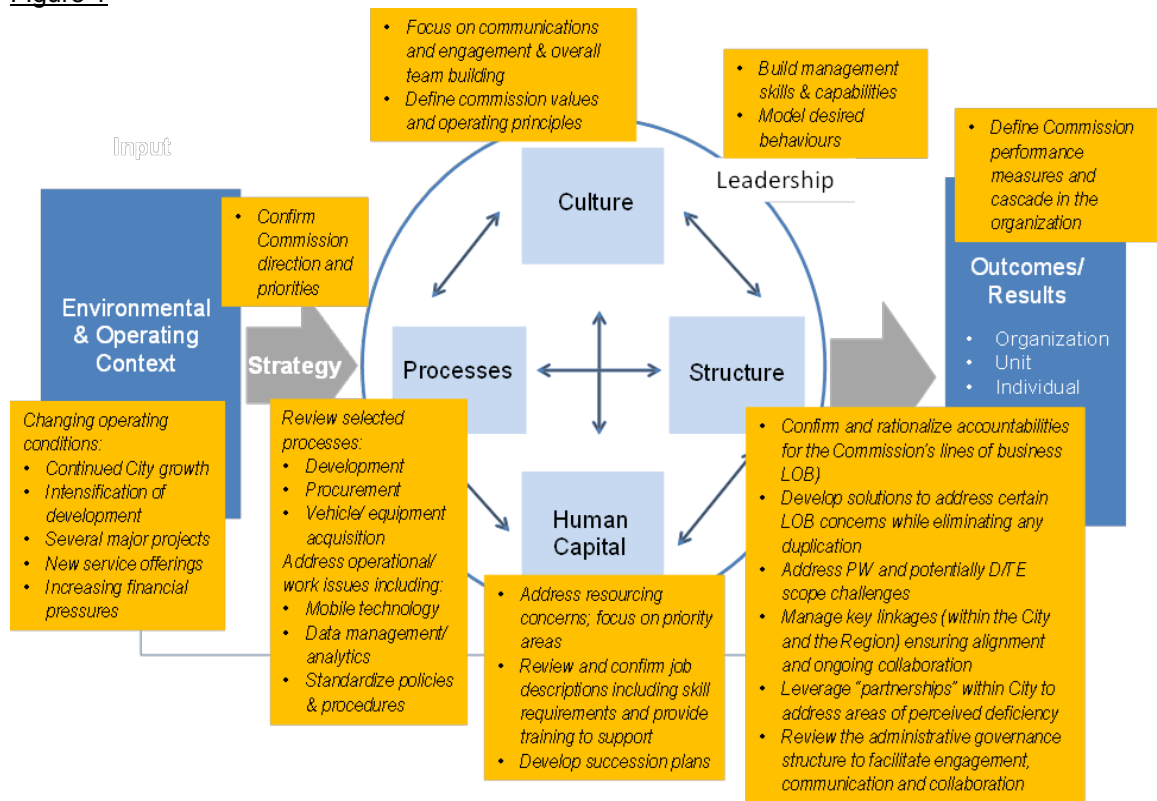
The consultants also interviewed and examined the engineering and public works functions in 10 municipalities within Ontario and across Canada to provide context when analyzing the functions in the Engineering and Public Works Commission.

Phase 2 was completed with the submission of a Progress Update – Appendix 1 to this report.

### **Progress Update identified key findings and opportunities**

The Progress Update identified key findings and opportunities in four categories: Culture, Structure, Human Capital and Processes. This information is depicted in Figure 1:

**Figure 1**



Although the intent of the functional review was to focus on the functions and alignment of those functions, the interviews revealed areas of opportunity which, when addressed, will support the purpose of the project. Some of the opportunities which can be accomplished in the short term within culture, processes and human capital have already been implemented. These include improved communications amongst the management team and engagement of the Innovation and Continuous Improvement Department to address the development approvals processes employed by both Development Engineering and Planning, and the ongoing Operational Review of Procurement processes.

### **Significant linkages in functions between Development Engineering and Planning, and Roads Operations and Parks and Forestry Operations have been highlighted**

The development approval process is a significant process which has been identified as one which needs to be reviewed and refined. It had been made apparent in stakeholder interviews that these linkages necessitate that the organizational ties between the groups responsible for these critical functions should be reviewed as part of the Functional Review.

Furthermore, the work processes these groups share need to be mapped and optimized. The Innovation and Continuous Improvement Department has been engaged to optimize these processes.

As part of the recent addition of the temporary Parks and Forestry Operations division to the Engineering and Public Works Commission, the consultants interviewed Managers, Supervisors and other staff in Parks and Forestry Operations. It was soon identified that the functions related to snow removal and boulevard maintenance by both operations group should be included as part of this functional review.



## **Organizational Design Principles were identified to analyze functional alignment options**

The organizational design principles identified in the Progress Update will be used to analyze potential alignment options, and finalize a functional alignment for the Engineering and Public Works Commission. These principles were developed with the purpose of the project in mind and reflect the common themes identified through the interviews. The organizational design principles are:

### Citizen focused

- Enhance Service to the City's Residents and Businesses that serve the Residents

### Effectiveness

- Consistent with the Commission Direction
- Facilitating Growth
- Clarity in Focus, Accountability and Service Delivery
- Employee Supportive

### Efficiency

- Organizational Flexibility
- Streamline Decision Making
- Balance in Scale and Scope
- Manage Key Linkages
- Organizational Efficiency
- Cost Efficiency
- Minimal Organizational Disruption

## **Next steps in the functional review include options for functional and organizational structure and development of transitions plans**

Phases 3 and 4 of this project will continue until May 2014. Phase 3 will result in a functional alignment and organizational structure which supports the purpose of this project and best meets the organizational design guidelines.

The transition plans developed in Phase 4 of this project will ensure the success in the transition to the new structure. The transition plans will include areas for process development, linkages, roles and responsibilities definition and risk identification.

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

In consideration of the strategic priorities related to Vaughan Vision 2020, the recommendations of the report will assist in:

- Demonstrate Effective Leadership
- Value and Encourage a Highly Motivated and Engaged Workforce
- Attract, Retain and Promote Skilled Staff
- Support the Professional Development of Staff
- Demonstrate Excellence in Service Delivery
- Ensure a High Performing Organization

### **Regional Implications**

The Functional Review project, once implemented, will improve the delivery of all of the Commission's functions to citizens, businesses that serve the citizens, and relationships with all stakeholders, including the Region of York.

### **Conclusion**

The Functional Review Project remains on schedule and will be completed in May 2014. The final report will be presented to Council at the June 16, Finance, Administration and Audit Committee Meeting.

### **Attachments**

Progress Update, March 2014

### **Report prepared by:**

Jennifer Rose, Manager, Special Projects, ext. 8745

Respectfully submitted,

Paul Jankowski, P. Eng.  
Commissioner of Engineering and Public Works

## **CITY OF VAUGHAN – ENGINEERING AND PUBLIC WORKS COMMISSION FUNCTIONAL REVIEW PROGRESS UPDATE**

### **OVERVIEW**

The purpose of the Functional Review is to ensure that the Commission continues its primary focus on demonstrated effective service delivery to residents and businesses. Key objectives include clarifying the strategic direction, clarifying roles, responsibilities and accountabilities in light of confirmed lines of business and facilitating effective linkages within the City and with other key stakeholders.

The lines of business which the Commission performs are Water, Wastewater, Stormwater, Roads/Sidewalks, Parks, Forestry and Solid Waste. The functions for these lines of business are performed by all four departments within the Commission. Each of the four departments has a specific function related to the line of business. This is illustrated in the Table 1.

Engineering Services	Development/Transportation Engineering	Public Works	Parks and Forestry
Capital Delivery Asset Management	Long Range Planning Master Planning Development Engineering Asset Management	Operations and Maintenance Asset Management	Operations and Maintenance Asset Management

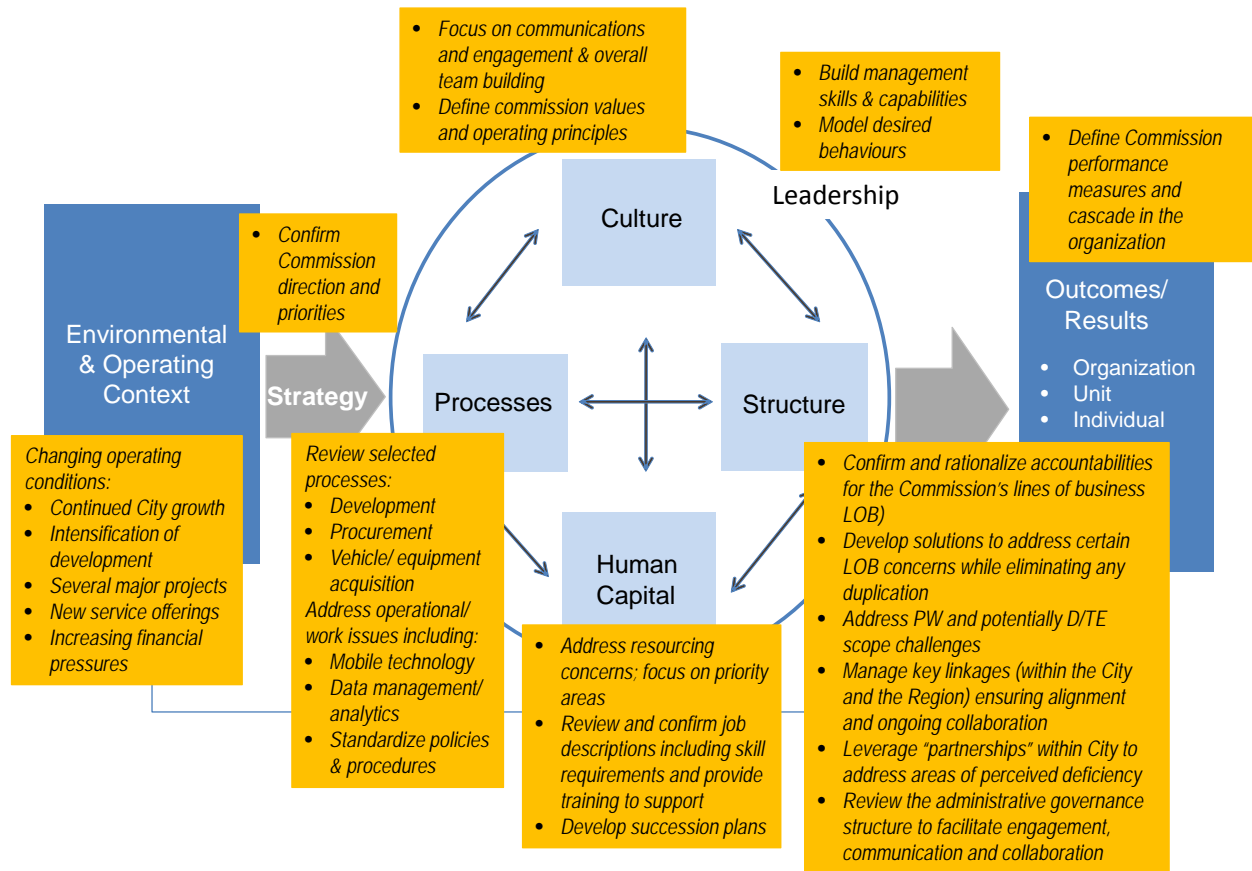
Functional/Business oversight of each line of business is a key driver for the functional review. The outcome of the functional review is to confirm this accountability.

The organizational assessment has been completed. The consulting team has conducted 28 interviews involving the Mayor and all of the councillors, the Commission's management group, the City Manager and all of the Commissioners and Regional representatives. Ten focus groups involving over 25 staff within the Commission and representatives of the development community have also been conducted. In addition to this direct engagement, several surveys have been submitted by staff that have been included in the analysis.

The consulting team has also looked at other jurisdictions with the objective of identifying potential approaches and practices that could be considered by Engineering and Public Works in developing organizational design options.

### **KEY FINDINGS**

Based on the feedback received and the consultant's experience in working with other municipalities and organizations, the key findings are summarized in the following diagram:



## REVIEW OF OTHER JURISDICTIONS

The consulting team looked at 10 other jurisdictions – five within the GTA and five from across Canada.

Within the GTA, the organizational designs for the comparable Engineering and Public Works functions varies with the most common clustering of functions being capital construction, operations and maintenance and infrastructure planning. The actual distribution of functions within these clusters also varies with most having Parks and Roads operations in one department, whereas the location of the Development Engineering function varies between Public Works and Planning.

The other Canadian cities that were considered also have a variety of organizational designs for the areas being considered in the Functional Review. The most common clustering was by function, similar to the GTA municipalities, with some using more a line of business/service approach.

The consulting team also observed an increasing use of utilities by municipalities to address water, wastewater and stormwater management requirements.

## ORGANIZATIONAL DESIGN PRINCIPLES

Organizational design principles are the criteria that are used to guide the development and evaluation of organizational options. They clarify what the organization must do well, and how it should be potentially organized, in the delivery of services. They have been developed in light of the overall strategic direction and the key findings resulting from the organizational assessment.

For the Engineering and Public Works Commission, the organizational design principles will include the following:



## Citizen focused

- **Enhance Service to the City's Residents and business which serve the residents:** Be accessible, responsive and easily understood by the citizens and business clients while increasing the capacity of the Commission to anticipate and respond to changing needs and requirements

## Effectiveness

- **Consistent with the Commission Direction:** Support the strategic direction and priorities of the Commission, aligned with the overall City direction, and its primary focus on demonstrated effective service delivery to residents and businesses
- **Facilitating Growth:** Build the capacity to effectively respond to the pressures driven by overall growth and intensification
- **Clarity in Focus, Accountability and Service Delivery:** Ensure there are clearly defined roles, responsibilities and accountabilities with single points of accountability for each line of business, no duplication in service delivery and clustering of like services to promote service efficiencies and effectiveness in enhance customer service
- **Employee Supportive:** Develop staff competencies to meet current and future expectations and requirements while increasing the ability to recruit and retain our people

## Efficiency

- **Organizational Flexibility:** Build a scalable and flexible organization which can adapt to changing operating conditions and evolving client needs
- **Streamline Decision Making:** Create clear lines of responsibility and accountability while removing barriers to decision-making to enable timely decisions focused on the Commission's and City's priorities
- **Balance in Scale and Scope:** The scale and scope of operations across each layer in the organization should be comparable in terms of operational, political, and financial complexity and risk
- **Manage Key Linkages:** Clarify and enable linkages within the City and with other key stakeholders to support the delivery of services and the achievement of the Commission objectives and priorities while facilitating ongoing collaboration and communications
- **Organizational Efficiency:** Minimize organizational layers with a preference for broader spans of control
- **Cost Efficiency:** Enable the delivery of core services in a cost-efficient manner
- **Minimal Organizational Disruption:** Minimize potential service disruptions and additional burdens on existing staff

## OTHER CONSIDERATIONS

In addition to the design of the functional/service structure, the Commission will also need to address the other findings that were identified through the organizational assessment (and summarized in the earlier diagram). These findings around processes, culture, people, leadership and performance management will be looked as the Commission moves forward with improving its overall performance.

## NEXT STEPS (PHASE 3 AND 4)

1. Finalize the analysis of existing organization and municipal comparators
2. Confirm the strategic direction and priorities of the Commission
3. Develop and analyze organizational design options