

The following is an excerpt from the minutes of the Special Meeting of City Council – 2014 Preliminary Corporate Business Plan and Detailed Budget held on December 3 and 4, 2013:

**2014 PRELIMINARY CORPORATE BUSINESS PLAN
AND DETAILED BUDGET**

SECTION C - RESERVE FOR CAPITAL EXPENDITURE (RCE) PROJECTS

City Council considered the “above the line” Funded projects identified on Schedule XIII – Reserve For Capital Expenditures (RCE) individually. The following reports were considered in conjunction with those projects included in the RCE Schedule.

**2. Capital Project #2535 - Continuous Improvement Strategy
(File No. CK. 116-1 x1700-1 and CC. 100-1)**

FOR APPROVAL

RECOMMENDATION: that the proposed Continuous Improvement Strategy outlined in the report of the General Manager, Corporate Performance Department dated November 20, 2013, be approved.

The City Clerk submitted a report of the General Manager, Corporate Performance Department dated November 20, 2013, outlining the Continuous Improvement Strategy for the City of Saskatoon.

IT WAS RESOLVED: that the proposed Continuous Improvement Strategy outlined in the report of the General Manager, Corporate Performance Department dated November 20, 2013, be approved.

TO: City Clerk, (2014 Business Plan and Budget Review)
FROM: General Manager, Corporate Performance
DATE: November 20, 2013
SUBJECT: Continuous Improvement Strategy
FILE NO: CK. 116-1 and CC. 100-1

RECOMMENDATION that the proposed Continuous Improvement Strategy outlined in the following report be approved.

TOPIC AND PURPOSE

The purpose of this report is to outline the Continuous Improvement Strategy for the City of Saskatoon.

STRATEGIC GOAL

This report supports the long-term strategy to focus on continuous improvement and use innovative and creative means to provide the best possible services under the Strategic Goal of A Culture of Continuous Improvement.

REPORT HIGHLIGHTS

1. The City of Saskatoon is formalizing its approach to continuous improvement through the implementation of a Continuous Improvement Strategy.
2. There are three components to the Continuous Improvement Strategy:
 - Annual Civic Services Reviews;
 - Internal Process Reviews; and
 - Innovation coaches to build capacity throughout the corporation.
3. Annual Civic Services Reviews are an operational review process to control expenditures, find efficiencies, and determine service level for municipal programs and services.
4. Internal Process Reviews help to identify waste and redundancy of internal processes resulting in improvements in the efficiency and effectiveness of the operations.
5. In order to sustain a culture of continuous improvement in the long term, capacity will be built within the corporation through innovation coaches and by empowering employees to facilitate change.

REPORT

A Formalized Approach to Continuous Improvement

In developing the City of Saskatoon's Continuous Improvement Strategy, contact was made with several other municipalities as well as the Saskatoon Health Region which are currently implementing continuous improvement or lean management strategies. This review also included looking at current service level review processes in other cities to assist in the development of the Civic Services Review process for the City of Saskatoon (City).

The Continuous Improvement (CI) Strategy is a corporate-wide approach to ensuring effectiveness and improving efficiencies in municipal services and operations. An ongoing approach including regular service level reviews encourages the Administration to go beyond conventional needs to provide high-quality service to the citizens of Saskatoon using innovative and creative means. Attachment 1 provides an overview of the components of the CI Strategy.

The CI Strategy includes three key components:

- Annual Civic Services Reviews (CSR) are an operational review process to find ways to control expenditures and to seek efficiencies in the delivery of municipal programs and services. It is a way to find redundancies and inefficiencies in our operations and improve on them.
- Internal Process Reviews (IPR) will focus on identifying and removing redundancies and waste within existing processes to increase efficiencies in civic operations.
- Building capacity in the corporation through innovation coaches and empowering employees.

Annual Civic Service Reviews

What are Civic Service Reviews?

The purpose of the Civic Service Reviews is to continuously find ways to control expenditures and to seek efficiencies in the delivery of municipal programs and services. The CSRs will examine all aspects of the service under review to ensure that every dollar is wisely spent.

A Civic Service Review is an evaluation process through which a service line is systematically reviewed to determine the most appropriate way to provide the service and at what level. It is a way to find redundancies and inefficiencies in our operations and improve on them.

The objective is to conduct an operational review to identify options and recommendations to address two service delivery questions:

- Effectiveness: Would changes to the service help to achieve greater results within currently available resources?
- Efficiency: Would changes to the current method of delivering the service improve the cost effectiveness?

What is the process?

The Administration is recommending that each CSR follow these four steps:

1. Service Rationale – Does the City need to provide this service?
2. Operational Review – Putting aside what the City is currently delivering, and how it is being delivered, a fresh approach will be taken. Instead of focusing on “fixing the current operations,” your Administration will define the service and how it will be delivered in the most effective and efficient way possible by answering the following questions:
 - *What does success look like? What quality and quantity of service do we need to provide based on:*
 - a. *input from citizens;*
 - b. *best practices and benchmarking from other cities; and*
 - c. *performance targets?*
 - *What are the action steps to deliver this service so that it is the most efficient and the most effective?*
 - *What are the measures of success and how will we know if we are successful?*
3. Funding – What is the cost and the resource plan to deliver this service?
4. Options – Once the service has been reviewed to ensure it will be delivered in the most efficient and effective way, City Council could determine the level of service. In other words, should less funding be allocated to deliver “less” of the service, or should the service level be increased with a corresponding increase in funding?

Once City Council has approved the service level, the annual budget and business plan would be prepared accordingly.

How will it be decided which services are part of the CSR?

City Council will decide. The Administration will provide recommendations based on the results of the Annual Civic Services Survey. Each year, citizens rate our services based on their level of importance and their level of satisfaction. Those services rated high in importance but low in satisfaction in 2013 include traffic management, street maintenance in neighborhoods, and ice and snow management.

Will citizens have input?

There would be a number of check-in points for City Council and the public. For example, the Administration would confirm the quantity and quality of the service to ensure citizens' expectations are being met. The Administration would also report on the process and findings of the operational reviews and the related funding required for the level of service.

How many CSRs would be done in one year?

To begin with, the Administration is recommending that two or three reviews be done for the first year, as they will be done with existing staff and will require an investment of time. The reviews would be completed before the end of the second quarter to ensure sufficient time to include in the annual business plan and budget.

Internal Process Reviews

The IPRs are designed to improve effectiveness and efficiency of the operations through identification of waste and redundancy in internal processes. This process would be similar to the one outlined above for the CSR.

- The approach to an Internal Process Review will depend on the size and scope of the project.
 - Innovation teams will be encouraged for projects with a larger scope or multi-departmental impact.
 - Smaller review teams will be encouraged to establish quick wins in a section, division or department.
- The Annual Business Plan and Budget Workbook will be updated to include a section on Continuous Improvement. Each business line will be required to submit ideas for CI initiatives and Internal Process Reviews as part of their business plan, including targets for each.
- Outcomes of the Internal Process Reviews will be captured and documented for the annual report on Service, Savings, and Sustainability.

Building Capacity Through Innovation Coaches and Empowering Employees

Employee and citizen involvement and engagement are critical to the success of the CI Strategy. Innovation coaches from each department will foster innovation and creativity within all levels of the corporation. Building capacity within each department will assist in driving change throughout the corporation.

- Training will be provided for the innovation coaches on tools such as process mapping, project management, and other CI and/or lean tools to assist them in facilitating a project within their section, division or department.
- Employees will be provided with opportunities to participate in innovation teams or Internal Process Reviews. Attachment 2 identifies some of the CI projects started in 2013.
- Employees will be encouraged to bring their ideas forward and make changes that are within their control.
- Employees will also be encouraged to participate in Continuous Improvement 101 training to promote a broader understanding of continuous improvement and participation within the corporation.

While the CI Strategy will continue to be a work in progress as it develops, the above approach is intended to increase knowledge, understanding, and create ownership for continuous improvement within the corporation.

POLICY IMPLICATIONS

There are no policy implications.

FINANCIAL IMPLICATIONS

The financial implications related to the Civic Services Review will be identified in the review process. The annual budget will be prepared to reflect the approved service levels.

In terms of the other Continuous Improvement initiatives, it is expected that increased efficiencies and reduction of waste will result in significant savings to the corporation. Continuous Improvement will translate into savings which will be captured on a regular basis and reported out. The annual budget will be prepared to reflect these savings. In 2014, the Administration has identified that it will save approximately \$1.4M in efficiencies and reduction of waste.

COMMUNICATION PLAN

A communication plan will be developed for the Civic Services Review to inform citizens of the review process.

In addition to a corporate communication plan for CI which has been developed, the Project Lead for each Continuous Improvement initiative will need to give consideration as to what should be included in a communication plan for their initiative or project.

DUE DATE FOR FOLLOW-UP AND/OR PROJECT COMPLETION

The Civic Services Reviews are an ongoing process and the first set of reviews will occur in the first half of 2014. Planning is underway for the innovation coaches, and the Internal Process Reviews. A status report on these initiatives will be presented as part of the 2014 first quarter results.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications.

PRIVACY IMPACT

There are no privacy implications.

PUBLIC NOTICE

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

ATTACHMENTS

1. Continuous Improvement Strategy.
2. 2013 Continuous Improvement Initiatives.

Written by: Kim Matheson, Acting Director of Strategic & Business Planning

Approved by: "Catherine Gryba"
 Catherine Gryba, General Manager
 Corporate Performance Department
 Dated: Nov. 21, 2013

Approved by: "Murray Totland"
 Murray Totland, P. Eng., MBA
 City Manager
 Dated: Nov. 25, 2013

Continuous Improvement Strategy



Saskatoon is the best-managed city in Canada.

"We provide high quality services to meet the dynamic needs and high expectations of our citizens. We focus on continuous improvement and providing the best possible services using innovative and creative means. We go beyond conventional approaches to meet the changing needs of our city."

2013 Continuous Improvement Projects

The following are Continuous Improvement projects that are underway or have been proposed:

- Purchasing Project – a three-day Kaizen event was held in October 2012; follow-up meeting was held in October 2013. One hundred ideas were generated and the Materials Management Section (of the Finance and Supply Division) is currently following up on these ideas.
- FTE Review Process – currently under development. More information will be provided to the Leadership Team before the end of the year.
- Business Licensing Project – a Project Charter is currently being completed by the Project Lead. Completion of this project is anticipated by the end of 2013.
- Human Resources and Community Services Department – employees have been educated on the 5S Continuous Improvement tool and have utilized this tool in some of their areas.
- Fire Department - currently researching best practices and is developing standards of response times.