
Fleet Services – Civic Service Review

Recommendation

That the Standing Policy Committee on Environment, Utilities, and Corporate Services recommended to City Council:

1. That the improved efficiencies and effectiveness in delivering service as outlined in this report be received as information.

Topic and Purpose

The purpose of this report is to provide an overview of the Fleet Services (FS) operations Civic Service Review (CSR).

This review explored opportunities for improvement within the shop service, procurement, technology usage, and internal customer service operations. Implementation of the above recommendation will improve service to FS's customers and in turn citizens by:

- Reducing time spent by internal customers finding adequate parking and for FS mechanics locating equipment through parking lot functionality improvements;
- Increasing accountability between FS and their customers through improved communication, and increase transparency in rental rate practices through the use of service agreements;
- Creating improved data tracking by updating technology used at FS; and
- Reducing operational costs.

Report Highlights

1. There are two key components of the CSR Process; efficiencies identified by employees delivering the service, and where warranted, recommending new service levels for activities where customer expectations are not being met.
2. Through the review, employees have found solutions for better service and savings of approximately \$100,000 to date.
3. The staffing model service level analysis uses information about the current process, cost of, and challenges to build options for the future that create efficient customer-focused processes that are fiscally responsible.

Strategic Goals

This report supports the Strategic Goals of A Culture of Continuous Improvement and Asset and Financial Sustainability. Process and efficiency improvements focus on identification of root cause issues and innovative and creative solutions that will provide optimal service improvements. Increasing efficiency and effectiveness in service provision ensures the City of Saskatoon (City) is investing in what matters and managing resources in a long-term sustainable way.

Background

City Council, at its meeting held on December 3 and 4, 2013, approved the Continuous Improvement Strategy which includes the following three components:

- Annual Civic Service Reviews - an operational review process to find ways to control expenditures and to seek efficiencies in the delivery of municipal programs and services.
- Internal Process Reviews - 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.

See Attachment 1 for the Continuous Improvement Strategy Overview.

Report

The CSR for Fleet Services has two phases. One to review the operational efficiencies of the service and secondly to review the current business model in order to determine its relevance and effectiveness. This report focuses on the first phase which was completed in the fall of 2015. The second phase will be undertaken in 2016.

Fleet Services can be considered the essential service for many corporate business needs that directly affect citizen satisfaction with civic services, such as waste collections and roadway maintenance. The impact on FS customers is a key consideration in operations of the division. Internal customers expect vehicles and equipment to be procured, upfitted, proactively maintained, and serviced quickly and completely.

- Efficiencies enabling FS staff to focus on effective customer service will have a positive impact on customer and citizen satisfaction and ensuring both groups are receiving good value for money.
- Attachment 2 provides a summary of key findings.

Review for Efficient and Effective Service

FS employees involved in shop service, procurement, technology usage, and internal customer service all took part in the CSR to bring forward perspectives on how to improve current operations. Representatives from the Waste Handling, Public Works and Saskatoon Light & Power Divisions also attended to ensure customer perspectives and ideas were voiced and considered.

The CSR process began with a review of how shop service and procurement services are currently being delivered. This exercise builds collective understanding in the group and simulates a 'safe space' environment where the team can focus on working towards the common goal of improved internal customer service; ultimately improving citizen satisfaction. Feedback from these discussions and a customer service survey highlighted satisfaction with many current FS services including emergency and accident repair, preventative and planned maintenance, off-season repair scheduling as well as fueling services.

However current state challenges do exist, including:

- Missed phone calls and no “first stop/service desk” in the FS shop office
- Overtime costs for FS shop staff and available labour hours limiting potential throughput
- People walking onto the shop floor without proper knowledge of the area or safety protection
- Shared shop space
- Obsolete fleet management technology and double data tracking
- Confusion over chargeback and rental rate details
- Training and practice for operators of units
- Vendor accountability
- Procurement request and approval processes and related policy
- Communication and reporting between FS and their customers
- Budget strategy for funding vehicle and equipment purchases and replacements
- Time wasted finding customer units after drop off

These challenges were the focus of in depth discussions on how to improve the operational efficiency and increase the effectiveness in the services provided by the Fleet Services section. See Attachment 3 for a detailed executive summary of the FS CSR.

Returned Staff Time¹ Value and Efficiency Savings

The following provides some highlights on key findings:

- Missed calls, lack of “first stop/service desk”, and shop floor safety concerns; details in Attachment 4.
 - Returned staff time value from improvement action is expected at \$20,000.00; (with additional \$3,000.00 hard dollar savings).
- Time wasted finding customer units after drop off; details in Attachment 5.
 - Returned staff time value from improvement action is expected at \$35,000.00 annually.
- Training, communication, costing and data tracking will be collectively addressed by introducing service agreements for each FS customer group. This strategy will be further detailed in a follow up report in the first quarter of 2016.
 - Returned staff time value from these actions are expected at \$30,000.00 annually; (with additional hard dollar savings related to SGI deductible costs for at fault accidents are expected at \$10,000.00 through these actions).

Service Level Review

A key finding of the FS CSR was the need for a shop staffing model that maximizes potential labour hours to meet operational needs and limits overtime costs. Creating this type of staffing model will meet expectations of internal customers and in turn increase citizen satisfaction with civic services.

¹ Returned staff time value – refers to the dollar value of time returned to an employees job duties as outlined in official job descriptions used by the City of Saskatoon through a reduction in movement, processing, and other non-value added activities.

The team is investigating optional shop staffing models with the above goals in mind. Collaborative communication efforts will involve unions and Human Resources prior to implementation.

Proposed savings identified throughout this report will be redeployed within FS to finance upfront costs of identified efficiency action plans as well as other strategic and operational priorities.

Communication Plan

The CSRs provide an opportunity for the public to learn more about the City's operations, the costs to deliver the services, and to provide feedback and input into how the City can deliver any of its services more efficiently. The approved Levels will be communicated through 311/Service Saskatoon so citizens know what services they can expect. Citizens will have the opportunity to provide input into levels of service as well as the budget using the Shaping our Financial Future budget tools.

Results from the Civic Service Reviews will be communicated on the City's website in the 'Latest Strides' and/or 'City Spotlight' sections of the *Our Performance* page at www.saskatoon.ca/strides.

Financial Implications

The financial implications related to efficiency gains will be reallocated to fund other strategic and operational priorities and/or may contribute to a reduction in the actual annual budget (Attachment 2).

Other Considerations/Implications

There are no policy, environmental, Privacy or CPTED implications or considerations.

Due Date for Follow-up

The second phase of the CSR dealing with the review of the current business model and rate structure will take place in 2016. This phase of the review will concentrate on the investigation of alternative service delivery options as well as options for outsourcing services provided by Fleet Services. This review will consider the need for the City being in the Fleet Services business and the rationalization of this service. The scope of the review will consider , the determination of the appropriate procurement model that takes into account a cost-benefit analysis on leasing versus owning units, rental rate calculations, options for efficiencies in the current car allowance program, and efficiencies in the police fleet operations. In addition, improvements to service delivery expectations will be reviewed that include detailed internal customer service agreements and asset management plans to manage the assets of the City's Fleet. This report will be brought forward to the Standing Policy Committee on Environment, Utilities, and Corporate Services in the first quarter of 2016.

The report will provide accurate information for future operating budget requests to manage the existing and additional units as Saskatoon continues to grow.

Public Notice

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

Attachments

1. Continuous Improvement Strategy Overview
2. Fleet Services CSR Summary of Key Findings
3. Fleet Services CSR Executive Summary

Report Approval

Written by: Kristin Bruce, Process Improvement Consultant

Reviewed by: Kim Matheson, Director of Strategic & Business Planning
Kerry Tarasoff, CFO/General Manager, Asset & Financial
Department

Approved by: Catherine Gryba, General Manager, Corporate Performance
Department

Administrative Report-Fleet Services-Civic Service Review.docx

Continuous Improvement Strategy Overview

In 2014, the Administration began our Civic Service Reviews (CSR) to conduct a detailed examination of each of our services to address three main questions:

- A. Is the service aligned with our Strategic Plan?
- B. Does the service provide value for citizens?
- C. Are we delivering the service in the most efficient way?

Framework for Civic Service Reviews:

1. Service Level

a. Asset Service Level

How the assets and services are preserved, renewed, and funded to ensure the quality of life for citizens is sustained or improved, and include:

- Inventory of Asset(s)
- Condition of Asset(s)
- Costs to Preserve Asset(s)
- Gap in Funding
- Funding Plan/Investment Strategy

b. Maintenance Service Level

The maximum interval between tasks or activities required to maintain the defined level of service are referred to as Maintenance Service Levels, and include:

- Description of Service
- Definition of Service Level
- Cost to Maintain Asset
- Timelines to achieve Service Level
- Service Level Approval

2. Efficiency

a. Operational Efficiency

A review of current processes identifies opportunities to improve efficiency and increase the effectiveness of the service and /or program. Savings resulting from the improvements will be quantified and reported as part of the overall Civic Service Review.

Knowledge Base for Service Saskatoon

All of this information can be used to prepare our knowledge base for Service Saskatoon and the 311 Call Centre.

Communication Plan

The CSRs provide an opportunity for the public to learn more about the City's operations, the costs to deliver the services, and to provide feedback and input into how the City can deliver any of its services more efficiently. Citizens will have the opportunity to provide input into levels of service as well as the budget using the Shaping our Financial Future budget tools.

Results from the Civic Service Reviews will be communicated on the City's website in the 'Latest Strides' and/or 'City Spotlight' sections of the *Our Performance* page at www.saskatoon.ca/strides.

A Summary of Key Findings Related to Efficiency and Effectiveness

Key Findings	Estimated Savings	
	Returned Staff Time	Hard Dollars
<p><u>Customer Service Focused Entryway</u></p> <p>Improvements to safety for staff, delivery personnel, and visitors by creating a physical partition between the shop floor and entry walkway.</p> <p>Internal customer service improvements through a dedicated first stop person in the shop office and staggered breaks to eliminate missed calls.</p> <p>Savings on computer, printer, and phone technology by eliminating dust transfer from shop floor to office.</p>	\$20,000.00	\$3,000.00
<p><u>Increasing Parking Lot Functionality</u></p> <p>Focuses the parking strategy on limiting wasted time for both FS internal customers and staff by creating designated drop-off and pick-up areas for units of different sizes.</p> <p>Improvements to safety of City Yards by reducing need for staff to cross the high traffic road on foot and eliminating the need to back up on to the road to leave the area.</p>	\$35,000.00	
<p><u>M5 Fleet Management Technology Update</u></p> <p>Focusing on creating a user friendly fleet management technology to enable easy unit data tracking. Improving FS's ability to create reports for their customers and plan proactively.</p>	(*Accounted for within 'Customer Service Agreements' estimated savings.)	
<p><u>Customer Service Agreements</u></p> <p>Collaborative agreements between FS and their customer groups that focus on reporting, communication, procurement, and training needs of customers and outline in detailed rental rate calculations. Agreements will be created through iterative discussion processes and managed by small committees.</p> <p>Hard dollar savings are expected through proactive training discussions mitigated accidents resulting in SGI costs.</p>	\$30,000.00	\$10,000.00

City of Saskatoon

Fleet Services Operations Civic Service Review

**Opportunities to Improve Efficiency and
Effectiveness
Executive Summary**

December 2015

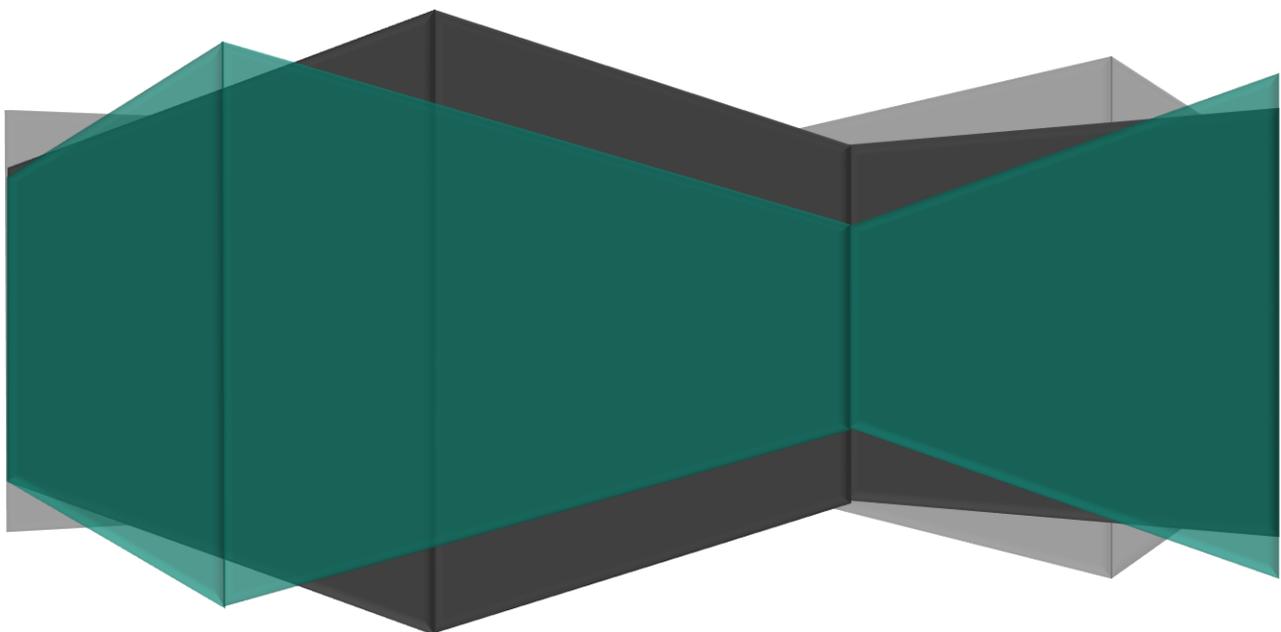


TABLE OF CONTENTS

Introduction 3

The Facilities and Fleet Management Division 3

Fleet Services 3

The Fleet Services CSR..... 4

 Discussing the Current State 4

 Creating the Desired Future State 5

Key Findings..... 6

Action to Date..... 6

Next Steps..... 7

Fleet Services CSR: Executive Summary

INTRODUCTION

The Continuous Improvement Strategy was approved by City Council at its meeting held on December 3 and 4, 2013. The CI strategy includes three components:

- Annual Civic Service Reviews,
- Internal Process Reviews, and
- Innovation coaching to empower employees.

The Fleet Services Civic Service Review began in October 2014 and focused on shop service, procurement, technology usage and internal customer service operations.

THE FACILITIES AND FLEET MANAGEMENT DIVISION

Facilities and Fleet Management is responsible for the City's buildings and structures, the City-owned vehicle and equipment fleet, and the City's radio communications system. The Division provides for building operation and maintenance of civic facilities including leisure facilities, fire halls, transit buildings, Police Services, Remai Modern Art Gallery, outdoor paddling pools and spray parks, as well as services for the libraries, TCU Place and SaskTel Centre. Project management services for capital or maintenance projects are provided including design, contract tendering, and construction management.

The Division is responsible for the purchase, repair, and maintenance of the City's vehicle and equipment fleets including the mobile and hand-operated parks and turf equipment. Included as part of this are operator certification, training, and equipment safety courses.

The Division also manages the corporate trunked radio system, serving 15 user groups using 1,700 portable and mobile radios.

FLEET SERVICES

The Fleet Services (FS) workgroup can be considered the essential service for many corporate business needs that directly affect citizen satisfaction with City services as the managers of procurement, licensing, fit up, and servicing of the City's fleet. Under these responsibilities comes the organization of 950 units, totalling approximately \$80M in assets, rotating on a seasonal schedule.

Personnel in this area meet these needs through dedication to internal customer service and financial responsibility. Issues in this business impact all divisions and all departments and as such, their internal customers are a key consideration in the operations of the workgroup. Reflecting this key consideration was the instigation of the

FS CSR after all three earlier CSRs (Parks, Roadways, and Waste Handling) discussed concerns related to aspects of FS businesses.

THE FLEET SERVICES CSR

Discussing the Current State

To begin the CSR, members of FS and their internal customers, including representatives from Saskatoon Light & Power, Waste Handling, and Roadways, discussed what was working and not working in the current state for vehicle and equipment servicing and procurement of new and replacement vehicles and equipment.

- Results from the service team highlighted overall customer satisfaction with unit service and turnaround activity.
 - FS mechanics noted perceived workflow challenges related to sharing shop space with the Police Fleet Maintenance Team.
 - In order to create unbiased options, this action item was transferred to the Police Fleet CSR which began in September 2015. Shop set up, efficiency, and standardization opportunities will be investigated.
- Results from the procurement team highlighted concerns around extra processing related to procurement request forms, purchasing control dollar values, the effects total loss accidents have on replacement funds and the procurement “line up”, and vendor accountability.
 - However, satisfaction with staff interactions was also highlighted by this team. Comments focused on FS staff making time for detailed discussions about procurement needs and timelines.

The chart below provides a high level summary of all current state challenges.

• Missed phone calls and no first stop in the shop for directions	• Time waste finding customer vehicles after dropped off	• Training and practice on vehicles and equipment
• Overtime costs for shop staff	• Labour hours available limiting the number of work orders that can be completed	• Reporting and communication between FS and their customers
• People walking into shop without proper knowledge of area or safety materials	• Chargeback details versus monthly rental rate inclusions	• Limited communication ability between technology systems of FS and their customers
• Out-of-date fleet management technology creating double tracking on age and wear statistics	• Procurement request and approval process and policy	• Budget strategy for funding vehicle and equipment purchases and replacements
• Vendor accountability	• Fleet overall age	• Shared shop space
• Processing time/signatures for procurement requests	• Total loss incidents “soaking up” unit replacement dollars	• Purchasing control dollar values (>\$5000)

FS complemented the above discussions by creating a customer service survey and circulated this to all internal customers. The survey had a 100% response rate and positive results overall. Areas needing improvement were similar to those discussed by the CSR teams. Details from the survey are presented below.

Meets Expectations

- Emergency Repairs Service
- Preventative Maintenance and Planned Service
- Off-season Repair Scheduling and Service
- Accident Repairs
- Fueling Services

Needs Improvement

- Staffing Levels and Availability
- Fleet Age
- Parking at FS Building

Creating the Desired Future State

Moving forward in the CSR process focuses on creating lasting organizational change through efficiency, defined service levels, and addressing the current state challenges. The current challenges outlined above reflected three major themes:

- Internal Customer Service
- Accountability
- Fiscal Responsibility

Internal Customer Service relates to improving the experience of FS customers when accessing services at FS.

- Improvements and efficiencies here will in turn improve service delivery for citizens, as FS customers provide front line services in Saskatoon, such as garbage collections, roadway repair, and facility maintenance.

Accountability relates to creating mutual understanding between FS and their customers enabling efficient reporting, regular communication, and clarity of expectations.

- Communication improvement efforts are already underway between FS and their customers. Managers meet regularly and discuss what is needed to deliver efficient and effective services to citizens in the upcoming season.
- Similarly discussion around information for effective reporting is actively occurring.

Fiscal Responsibility related to ensuring that all dollars spent are spent in manner that creates added value for internal customers and in turns citizens as well as contributes to economic sustainability into the future.

- A detailed analysis of the challenges pertaining to procurement and the maintenance of the Police Fleet are currently underway and will be presented in a future report to the Standing Policy Committee on Environment, Utilities and Corporate Services.

Key findings presented in the following chart aim to ensure efficiency, defined service levels and address current state challenges.

Key Findings

Internal Customer Service (\$55,000 in returned staff time)

- Develop a safe customer-focused shop entryway and office while keeping in mind the impending move to the Civic Operations Centre.
- Develop options for an efficient parking strategy at the Vehicles and Equipment improving functionally and safety over the current state.
- Develop a shop staffing model that maximizes potential labour hours to meet operational needs and limits overtime costs.

Accountability (\$30,000 in returned staff time; \$10,000 hard savings)

- Develop service agreements with all customers outlining expectations for communication, reporting, procurement, training, rental rate details, and vehicle and equipment servicing.

Fiscal Responsibility (Savings accounted for above)

- Update fleet management technology and software training to ensure efficient reporting to customers, accuracy of fleet condition information for asset management planning, and work tracking practices.
- Support the procurement process and policy review currently underway by ensuring concerns and suggestions for improvement be considered during the review.

Action to Date

Members of the CSR team are leading small work groups in developing detailed options to support the key findings outlined above using:

Efficiency Action Plans - designed to take employee feedback and improvement ideas from CSR workshops and create focused options with costing estimates to ensure informed decision making and movement from plan to action.

Service Level Analyses – designed to take information about the current process, cost of, and challenges around the delivery of a service and build options for the future. Options aim to create efficient, fiscally responsible, and customer-focused processes.

Next Steps

The FS team has begun working on the second phase of the CSR, a detailed review of the current business model including:

- Procurement of new and replacement vehicles and equipment including a cost-benefit analysis of leasing versus owning units
- Vendor accountability
- Rental rate calculations
- Details on internal service agreements including an outline of costs related to service levels.
- Efficiencies in the Police Fleet Operations
- Cost-benefit analysis of installing GPS units in all civic fleet vehicle and equipment
- Options to increase efficiencies in the current car allowance program
- Shop location and space

A report summarizing the findings of the second phase and associated efficiency gains of the Fleet Services CSR will be brought forward to the Standing Policy Committee on Environment, Utilities, and Corporate Services in the first quarter of 2016.