

# BRIEFING

Community Services Briefing to  
Priorities and Finance Committee  
2019 November 05

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## Exploring Civic Partner Cost Savings

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### PURPOSE OF BRIEFING

The City of Calgary invests in Civic Partners to deliver effective programs and services in targeted areas, develop and advance strategies, and construct and manage assets. Guided by The City's *Investing in Partnerships Policy*, Administration supports Civic Partners by focusing on aligned objectives and mutually agreed upon results; balancing interdependence, mutual accountability, and autonomy; and integrating risk management practices. As part of the regular course of business, Administration leverages The City's expertise and resources to help find efficiencies and cost savings for Civic Partners while working within The City's approved budget. This leverages and extends The City's investment of operating and capital funding, facilities and assets in Civic Partners and frees up resources they can direct to operations, including programs and services.

This Briefing provides an update on work underway in response to a Motion Arising adopted by Council on 2019 July 22 that directed Administration to review areas where Civic Partners can find savings including working with The City to leverage buying power in the areas of utilities, insurance, parking, waste removal, and other savings including security, supplies and asset management. The direction to Administration has amplified and broadened strategies already underway as ongoing support to Civic Partners.

Each Civic Partner operation has unique needs and requirements. As Administration identifies new cost saving opportunities, each Civic Partner organization will need to assess the business case for participation based on its operational needs and current state. For example, by determining if the service being offered meets the necessary requirements and desired level of service, and evaluating if they have contracts, agreements, or other commitments in place that restrict participation. In some circumstances, long range planning may be required to realize savings.

### SUPPORTING INFORMATION

The following are some examples of existing and previously explored opportunities to leverage the buying power of Civic Partners as a group, and for Civic Partners to leverage The City's buying power. Civic Partners have been, and will continue to be engaged in this process to gain a better understanding of the opportunities that best meet their operational needs.

Through the **Civic Partner Insurance Program**, The City is already successfully leveraging its buying power to secure affordable insurance policies for some Civic Partners, leading to significant costs savings. Due to The City's capacity, the program is not able to accommodate all Civic Partners.

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A number of options to meet Civic Partners' electricity needs more efficiently have been identified including development of an **energy management solution** that would leverage the aggregated energy profiles of Civic Partners to provide increased certainty and stability in pricing. This would be combined with advisory expertise, and identification of energy conservation opportunities. Work is underway to identify a group of Civic Partners and other City partners that may be interested in participating.

Customer classes and rates for **water and wastewater services** are determined based on demands on the system. Civic Partners are grouped with other institutional, business and not for profit customers of the Water Utility and there is no opportunity to find savings for Civic Partners for water at this time.

Upon the request of a Civic Partner, The City is willing to work with individual Civic Partners to explore providing **waste, recycling, and/or compost collection services** for their operations. The decision to enter into a contract for services will be determined by the Partner, and will be based on whether or not The City's services meets their needs and desired level of service. Service costs for Civic Partners would vary based on their facility's requirements. The City can also work with them on waste reduction opportunities.

A number of Civic Partners have negotiated individual **parking management agreements** with the Calgary Parking Authority (CPA) including Fort Calgary, Heritage Park, and the Calgary Zoo. The CPA will continue to work with Civic Partners to address the unique parking needs of customers while continuing to fulfill its mandate. The Office of Partnerships will work with CPA to promote a consistent approach to Civic Partner agreements where possible.

When an opportunity is identified by a Civic Partner or Administration, The City's **corporate services** are leveraged to provide support in terms of advice or services, for example, related to security or information technology. To date, security advice and support has been provided to a number of Civic Partners including Arts Commons, Fort Calgary, Calgary Public Library, Calgary Convention Centre Authority, and Contemporary Calgary. Administration will continue to assess need for corporate service support for Civic Partners, and capacity within The City to meet this demand.

In terms of leveraging buying power, The City has a large corporate inventory and a service model that can be expanded to include Civic Partners. Administration will work with Civic Partners to determine if there is demand to access **supplies, streetlighting, central stores and clothing**. Specialty supplies would not be available and Civic Partners will need to determine if The City's options meet their expectations and are cost effective. There is also an opportunity to work with Civic Partners to identify if any other current City contracts may be of interest. These opportunities will be further explored with Civic Partners to determine where added value can be found.

Civic Partners deliver valuable programs and services for Calgary and Calgarians. As part of The City's support for these organizations, Administration will continue to identify and pursue medium and long term options that lead to cost savings and efficiencies. Any opportunities that are pursued will prioritize approaches that do not impact Administration's budget.

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