



# Service Improvement Case Studies: ZBR Initiatives

## SECTION OVERVIEW

These case studies illustrate the wide range of tangible benefits being delivered for Calgarians as a result of the ZBR program.

Each case study highlights the opportunity that was identified, the action taken and the result. The results include cost savings as well as service effectiveness gains, such as better customer service or reduced environmental impact.

The effectiveness gains are diverse in nature and may be harder to quantify than financial gains, making it difficult to present them as a single headline metric. Administration is developing performance measures to better capture the effectiveness gains in future reports.

The ZBR program is mandated to deliver improvements in:

### EFFICIENCY



Cash savings



Productivity gains



Cost avoidance



Continuous improvement

### EFFECTIVENESS



Service outcomes



Customer satisfaction



Employee morale



Safety



Partner relationships



## 1 Opportunity

- Improve efficiency and reduce unit costs associated with pavement rehabilitation by implementing industry standard measures for cost control.

## 2 Action

- Implemented standard cost control measures and reporting.
- Allocated projects to City Forces that are closer to the Manchester asphalt plant.
- Streamlined the trucking of asphalt.
- Emphasized staff training to increase capacity and reduce the total time to complete projects.

## 3 Is anyone better off?

- The City Forces pavement rehabilitation has reduced the cost per tonne from \$150 in 2014, to \$147 in 2015, and \$139 in 2016.
- This was coupled with increased productivity from a daily lay down of 1,500 tonnes of asphalt in 2015 to 1,700 tonnes in 2016.
- Efficiencies were achieved that equated to \$1.5 million annually from 2015 and a further \$560,000 in 2016, for a total ongoing annual savings of \$2 million.

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### CAPACITY BUILDING



Continuous improvement



Partner relationships



# Excavation-Free Repairs



## 1 Opportunity

- Every year Water Services spends many hours and dollars (about \$24,000 per replacement) clearing or replacing sanitary services due to sewer backups. This is both disruptive to the homeowner and expensive to the taxpayers.
- Adopting trenchless technology reduces costs and repeat visits by allowing maintenance and repairs without an excavation.

## 2 Action

- Water Services implemented a pilot program called the Sanitary Lateral Lining Program in Spring 2017, which enables maintenance and repair of sanitary services without an excavation.

## 3 Is anyone better off?

- The Sanitary Lateral Lining Program can increase the life of the service by 50 years or more. Not only will this program cost less per service than the traditional method, but services that have been repaired through this program will also require much less maintenance in the future.
- Sanitary services can be replaced or repaired with significantly less disruption to commuter traffic and affected residences and businesses.
- The program is still being piloted but, if successful, The City could see annual cost savings of \$0.4 to \$0.8 million.

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### CAPACITY BUILDING



## 1 Opportunity

- Continue to implement a dynamic system based on time of day, risks, probability, reliability and service demands.
- Develop a revised performance measurement approach to focus on outcomes and use this as the basis for planning for future growth.
- Complete a pilot of medical response units, which are smaller vehicles and crews specialized for emergency medical calls, designed to keep fire response resources available for fire response.

## 2 Action

- The Calgary Fire Department (CFD) is implementing the dynamic deployment model and incorporating risk-based data. Innovative apparatus deployment options have been explored, including analysis to support the expanded use of medical response units.
- The CFD has also revised the approach to performance measurement used for planning and growth management, to incorporate a greater focus on risks and outcomes in determining how to optimize resources.

## 3 Is anyone better off?

- This series of related recommendations contributes to the CFD's ability to manage operating budget reductions. So far, an operating budget reduction of \$2.3 million has been realized.
- Further enhancements in the area of deployment and response will manage additional reductions to planned budget growth over 2017 and 2018.
- The dynamic deployment model enables continuous improvement by using ongoing analysis to continue to fine-tune apparatus moves and other deployment decisions, aiming for optimal use of resources even through changing demands and risks.

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## 1 Opportunity

- Identify and apply best management practices in planning, managing and monitoring the identification and project management of capital projects with specific focus on cost, time and outcomes.

## 2 Action

- In June 2016, stage gating was implemented to improve capital investment management.
- This is a structured decision-making model that enables informed decisions on project direction and budget at key milestones.
- It incorporates best practices and helps ensure investment decisions are made through a transparent, consistent, and defendable process.

## 3 Is anyone better off?

- Water Resources achieved a better year-end spending rate in 2016, at over 99% of the approval capital budget compared to the historical average of 60%.
- Improved cooperation across the organization resulting from information around capital investments shared more widely.
- A greater emphasis on service levels, risks, costs control and benefits to customers which supports evolution to customer focused culture.
- The stage gating process developed for Water was used as the basis for the corporate stage gating standard released in May 2017.

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## 1 Opportunity

- Provide self-serve online permit services to homeowners and small business owners.
- Improve homeowner and small business owner processes by using a risk-based approach. Rationalize business rules based on bylaws and safety codes, and eliminate legacy rules.

## 2 Action

- Two Customer Coordinator positions were created to focus specifically on homeowner and small business owner customers.
- One improvement made so far was the development permit exemption for secondary suites. Applicants that meet the Land Use Bylaw requirements can “skip” the development permit process and proceed directly to the building permit application.

## 3 Is anyone better off?

- The Customer Coordinators will champion the needs of homeowners and small business owners to influence change, such as creating the self-serve online customer journey, which will save customers both time and money. The Customer Coordinators will also build partnerships, plans, and policies to address emerging challenges for these customer segments.
- The development permit exemption saves an estimated \$2,000 in costs for the customer, and what would normally take 30 days is now a 30-minute bylaw review on the spot, making it faster and easier to apply for a secondary suite.

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Continuous improvement

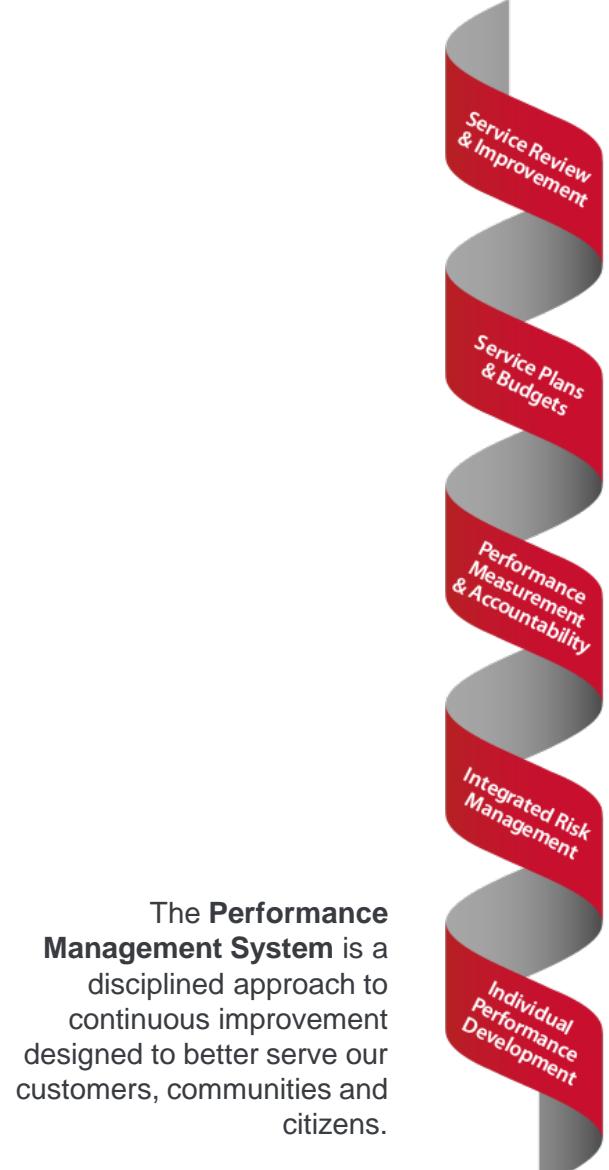


# Service Improvement Case Studies: Continuous Improvement Initiatives

## SECTION OVERVIEW

The ZBR program draws on all elements of the Performance Management System to identify efficiency and effectiveness improvements. It has the greatest intersection with the “Service Review and Improvement” strand, where the ZBR program complements The City’s other continuous improvement activities.

These case studies provide examples of service improvements undertaken outside of the ZBR program, which demonstrate Administration’s increasing capacity for continuous improvements in line with the second purpose of the ZBR program.





# Utilities Fleet Optimization



## 1 Opportunity

- Fleet and equipment costs account for about 9% of the Water Utility's operating budget, and it was found that 20% of the light fleet was underutilized.
- Optimizing fleet management across the department could achieve cost savings without affecting levels of customer service.

## 2 Action

- The project team dug into operational processes to focus on key areas for improvement.
- This included looking at how vehicles are used, streamlining financial coding, optimizing lifecycle practices for vehicles, and establishing strong governance to create clearer accountabilities.

## 3 Is anyone better off?

- The Water Utility was able to find \$2.1 million in efficiencies through operational and strategic changes in areas including maintenance, hired operations and lifecycle adjustments.
- The overall inventory was reduced by 3% through relinquishing underutilized vehicles, cancellation of replacement orders, and vehicle standardization.

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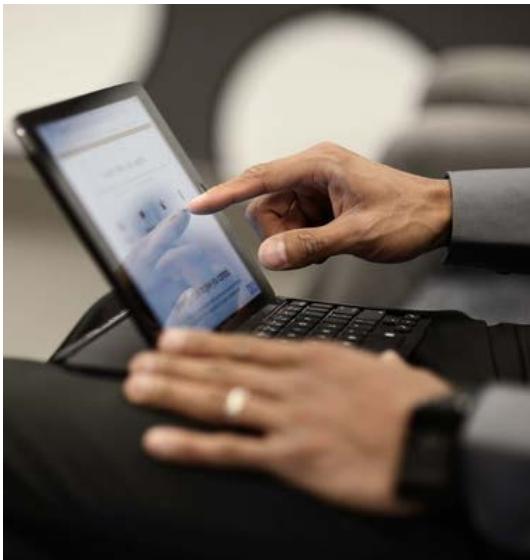
Employee morale



Safety



Partner relationships



## 1 Opportunity

- In the current economic climate, it is possible to negotiate for lower prices with vendors and contractors.

## 2 Action

- In 2014, Information Technology (IT) undertook aggressive wireless contract negotiations in order to secure lower prices for our 3-year wireless contract.

## 3 Is anyone better off?

- City business units realized savings of \$1.8 million in 2015 and continue to benefit from cost avoidance in wireless spending in 2016 and 2017. IT will apply the same rigour and aggressive negotiations as we prepare to go to market for The City's wireless contract in 2017.
- A 2016 benchmarking study by Gartner (a leading information technology research and advisory company) highlighted that The City of Calgary's cellular contract rates lead the market and are almost 20% lower than other benchmarked organizations. The study also found that The City's software costs are 27% lower compared to industry peers.

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