Sturgeon County

Operational Review – Final Report

March 22, 2019

MNP LLP

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EXECUTIVE SUMMARY

Operational Efficiency and Effectiveness Review

An operational efficiency and effectiveness review is typically focussed on uncovering opportunities for improvement. While some improvement opportunities can include cost saving implications, others may also require investments in order to implement them. The main focus of the review was to look at how efficient and effective the organization is delivering against the achievement of the strategic objectives of the County (as outlined in the County’s strategic plan). The scope and timing of the engagement did not permit a comprehensive review of all County service areas, so a two-phase approach was employed to first take a high-level / whole-of-organization view and then select six (6) focus areas for more detailed review. MNP worked collaboratively with Sturgeon County’s Senior Leadership Team (SLT) throughout the course of the operational review. Additional detail on the engagement approach is described in the project overview section that follows.

Sturgeon County Generally Aligned with Municipal Comparators

At the conclusion of Phase 1 of the project, MNP noted a number of general observations and presented them at a high level. This included noting that Sturgeon County is quite comparable to other similar municipalities:

- Parkland County
- Leduc County
- MD Rockyview
- Grande Prairie County
- Red Deer County

In consideration of capital / operating budgets per capita, FTEs and net municipal taxes per capita, Sturgeon County is generally below the mean of the same metrics of the comparable municipalities. This initial analysis indicated that there were not any significant “big red flags” that stand out as issues of gross inefficiency or ineffectiveness. Nonetheless, there are always opportunities for improvement in any organization and the purpose of Phase 2 was to zero in on those opportunities.

Efficiency and Effectiveness Opportunity Identification

Rigour and discipline was employed to define and validate criteria against which all Sturgeon County service areas (departments) could be assessed to assist in deciding where to focus MNP’s efforts in Phase 2. At the end of Phase 1, MNP facilitated a strategy session with SLT to decide on the focus areas for more detailed review and validate the key investigation questions specific to each focus area. Details on
the selection process and key questions are found in the project overview section and the Phase 2 section (in each focus area) of this report.

As a result of the operational efficiency and effectiveness review engagement, MNP has proposed 48 recommendations focussed on improving administration’s operational ability to achieve the County’s strategic priorities. Some of MNP’s recommendations can be executed with existing resources whereas other recommendations would require investment (funding and people) to be completed. All recommendations have been mapped out at a high-level into short-term, medium-term and long-term implementation timing and are aggregated in a single-page view of a master roadmap at the end of this report should all recommendations be accepted.

**Bottom Line**

The overall impact and value of MNP’s recommendations is best considered in aggregate form. This is consistent with an operational review focussed on improving efficiency and effectiveness rather than one focussed more exclusively on identifying cost-savings and/or revenue generation opportunities. There are both quantifiable investments and savings estimated as potential funding impacts of implementing the 48 recommendations. The sum total of the estimated quantifiable investment required is approximately $644,000 and the sum total of the estimated potential savings is approximately $1,000,000 which indicates a net potential savings of $356,000. The potential savings of $1M is a very conservative estimate and could be as high as $2M in procurement spend savings. Please refer to the Procurement and Contract Management section of this report for additional details. There are also four additional potential funding implications identified that could generate cost savings that will require further research and analysis in order to validate and quantify. It should be noted that investment and savings potential are sum total figures and are not specified as costs or savings that will be realized in a specified timeframe. There are a number of variables that will affect the timing of when specified costs would be incurred and when sustainable savings will be generated. Much of the timing revolves around Sturgeon County decisions to accept or reject MNP recommendations as well as implementation strategy / execution that the County undertakes.

Accepting and implementing MNP’s 48 recommendations will increase the efficiency and effectiveness of Sturgeon County operations thereby accelerating the ability for the County to achieve its strategic objectives.

» Due to the “point in time” nature of MNP’s review activities as well as the fact that County Administration continues to run a complex organization, some of MNP’s recommendations are already being implemented / progress is being made by Sturgeon County administration. Every effort has been made to capture progress being made against MNP recommendations based on feedback received from administration and noting a point in time of March 15, 2019.
PROJECT OVERVIEW

In June 2018, MNP was engaged by Sturgeon County to conduct a review of its operations. This initiative included an assessment of which functions and processes the County is already performing at a high-level and should thus maintain, recommendations for improving any practices that may be below the levels of comparable organizations, and an implementation plan to optimize service efficiency and effectiveness for the short-, medium-, and long-term future.

The MNP Operational Review builds on the foundation of the Sturgeon County Strategic Plan (2018 – 2027) by providing the necessary research to maximize efficiency and integration within the context of an evolving organization. Moving forward, the MNP Operational Review takes into consideration provincially mandated Intermunicipal Collaboration Frameworks and Sturgeon’s growing assessment base.

MNP’s review was executed in two main phases:

1. Phase 1: High-Level Organizational Review
2. Phase 2: Detailed Review of Priority Areas

These two phases took place sequentially, with learnings from Phase 1 transferring to Phase 2. The high-level review gave a macro perspective of the organization’s core functions and activities and enabled the Organizational Review Steering Committee to provide direction on what priority service areas would be further examined in Phase 2. Phase 2 included a review of five departments and two cross organizational functions. The priority areas examined were:

- Business Strategy
- Corporate Communications
- Information Services
- Engineering Services
- Transportation Services
- Procurement and Contract Management as “horizontal” functions impacting all departments

MNP’s approach was highly collaborative and decision-oriented. MNP relied on the active participation of leaders across the County’s service areas as well an appointed Operational Review Steering Committee to align activities with expectations, consistently transfer knowledge and skills, and build understanding and ownership for decisions and outcomes (the Steering Committee consisted of all SLT members plus one or two other senior leaders in the organization).

During the term of the project, the County moved from having an interim CAO role to permanently filling the CAO position. This change in leadership took place after Phase 1 had been completed, and the project was approximately 30-40% through Phase 2. Although this change did not significantly impact the project, it should be noted that during this period the County moved from temporary leadership to obtaining permanent leadership.

The findings outlined in this report identify structural and operational improvement opportunities based on a review of the County’s main functions, activities, and services. With a focus on stakeholder engagement and a balance between the strategic and the tactical, MNP has identified key recommendations meeting the County’s objectives as outlined in the Request for Proposals.
The following report presents the detailed findings of both the high-level review and the review of the priority areas which includes: current state assessments, municipal comparators research, proposed recommendations, and high-level implementation plans for the consideration of Sturgeon County’s senior leaders. Additionally, a High Level Implementation Roadmap is presented in this report that is a half-step between Sturgeon’s Strategic Plan and Corporate Business Plan as it provides recommendations that offer course adjustment considerations to inform strategic thinking and planning (short-medium-long term) relative to the Strategic Objectives in each of the identified program areas.

PHASE I – HIGH LEVEL ORGANIZATIONAL REVIEW

Methodology

Phase 1 of the review took place over several weeks in the Summer and Fall of 2018. MNP engaged in a several key activities in order to arrive at a set of high-level organization-wide findings and to determine which service areas and/or organizational functions warranted more detailed review in Phase 2. As determined in the earliest meetings between the Operational Review Steering Committee and MNP, the entire review was conducted through two primary lenses: efficiency and effectiveness. For the purposes of this review, those two lenses can be defined as follows:

- **Effectiveness** – effort produces and/or directly contributes to the desired result; and,
- **Efficiency** – conducting activities in an optimal way, with the least amount of wasted effort/resources.

Organizational reviews can often include considerations of relevance in addition to efficiency and effectiveness. Operational reviews are typically more limited in focus, taking more-or-less as for granted questions of relevance and high-level organizational strategic outcomes. In other words, operational reviews are not typically as concerned with assessing if the organization is in “the right” business, if it is pursuing an appropriate strategic vision. The thick black box in the graphic below delineates the scope of the Sturgeon County Operational Review: efficiency and effectiveness are within the prescribed scope. Relevance is not generally in scope.

However, the graphic also illustrates that what is inside the box is linked to those pieces that lie beyond it. A review assessing effectiveness and efficiency is thus positioned to make at least some small comment on relevance and strategic outcomes even though its chief focus does not lie there.

The activities and tools through which Phase 1 of the operational review was primarily conducted are:

- Interviews with SLT and Managers;
- Initial Document Review;
- An Organization-Wide Survey; and,
- A High-Level Scan of Comparable Municipalities.
MNP designed and conducted these activities with the valuable input and assistance of the Operational Review Steering Committee. Furthermore, MNP supported the development of project-related communications that included key messaging and change management considerations to ensure that staff across the organization had a clear and consistent understanding of the objectives and scope of the review. The findings stemming from each of the activities listed above are presented in the following pages of the report.

Partly with change management in mind, much of the analysis and review findings (both Phase 1 and Phase 2) are organized into four broad categories: people, process, technology, strategy. This is designed, in part, to assist with implementation efforts down the road by providing a consistent, predictable categorization of the efforts required to improve efficiency and effectiveness in the organization.

**Documentation Review**

To gain a comprehensive understanding of the current state of the organization, MNP requested and was provided with over 600 documents from the County. These documents outline various departmental and organization-wide policies, procedures, strategies, and processes. In sorting through the documents, MNP identified over a hundred documents most relevant for the high-level phase of the review. The remaining documents were consulted wherever appropriate after the priority areas were chosen (i.e. in Phase 2). Some of the key documents for Phase 1 included the 2018 – 2027 Strategic Plan, business plans from various departments, service level documents and the citizen survey data.

<table>
<thead>
<tr>
<th>Key Themes</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is general alignment between County Strategic Plan and Department Business Plans though there is room for improvement in terms of standardization, consistency, and completion-level of the business plans and associated measures</td>
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<tr>
<td>Citizen survey feedback largely aligns with what MNP heard through interviews</td>
</tr>
<tr>
<td>Organizational structure largely aligns with the strategic direction of the County</td>
</tr>
<tr>
<td>Performance Measurement and reporting is a general area for potential improvement across the organization</td>
</tr>
</tbody>
</table>
Department Leadership and Team Engagement

MNP conducted 22 in-person interviews with Sturgeon County leadership including the CAO, General Managers and Managers from various departments. To encourage frank and honest discussions, MNP provided a commitment of anonymity to all interviewees as findings would be aggregated as themes and not attributed to any single interviewee. The following themes from these conversations are outlined below.

**Key Themes**

<table>
<thead>
<tr>
<th>Theme</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uncertainty around who is accountable</td>
<td>within the organization, especially for projects, tasks, or activities that crossover more than one department</td>
</tr>
<tr>
<td>Lack of clarity around centralization / decentralization</td>
<td>is leading to inefficiency and/or inconsistency (e.g., procurement, contract management, etc.)</td>
</tr>
<tr>
<td>An apprehension to take on new initiatives, or introduce an innovative approach</td>
<td></td>
</tr>
<tr>
<td>Operations in some areas has tended to be more reactionary and less planned than is optimal</td>
<td></td>
</tr>
<tr>
<td>Administration has historically been more focused on strategy with less focus on execution</td>
<td></td>
</tr>
<tr>
<td>Some departments identified capacity challenges including understaffing or weakness in terms of skills or inefficient departmental structure</td>
<td></td>
</tr>
<tr>
<td>Indication of the challenges involved in owning / maintaining aging infrastructure and operating long-standing programs</td>
<td></td>
</tr>
<tr>
<td>Organizational growth (budget, personnel, service levels / offerings) has outpaced the systems and processes that support service delivery and internal corporate functions</td>
<td></td>
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Municipal Comparisons

Desktop research was conducted on seven municipalities to compile comparable benchmark data. This data was then used to review the County’s organizational information. In reviewing the data, MNP was looking for any noticeable differences between Sturgeon County and the comparable municipalities. The municipalities researched included: Parkland County, Leduc County, Rocky View County, City of St. Albert, City of Fort Saskatchewan, Grande Prairie County, and Red Deer County. These municipalities were chosen as comparators due to similarities in quantitative figures like budget and population but were also selected with the Steering Committee’s input and guidance. The Committee’s knowledge in terms of their experience and connections to other municipalities provided a more holistic understanding to identify the most relevant comparators.
As demonstrated below in Figure 3, there were no significant differences in the information collected from comparators to Sturgeon County.

**Figure 3: Municipal Comparison – Overview**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Comparable Municipalities</th>
<th>Sturgeon County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>36,985 (average)</td>
<td>20,495</td>
</tr>
<tr>
<td>Capital Budget per Capita</td>
<td>$1,564 ($2,010 w/o St. Albert &amp; Fort Sask.) (average)</td>
<td>$1,302</td>
</tr>
<tr>
<td>Operating Budget per Capita</td>
<td>$3,215 (average)</td>
<td>$2,628</td>
</tr>
<tr>
<td>Full-time Equivalents</td>
<td>317 (240 w/o St. Albert) (average)</td>
<td>216</td>
</tr>
<tr>
<td>Organizational Structure</td>
<td>Most municipalities are organized into 3 – 5 main divisions with variation in the arrangement of departments within those divisions</td>
<td>3 main divisions</td>
</tr>
<tr>
<td>Net Municipal Taxes per Capita</td>
<td>The mean of net municipal taxes across the comparators is $2,239 per Capita</td>
<td>$2,223</td>
</tr>
</tbody>
</table>

In analyzing organizational structures, most municipalities are organized into three to five main divisions or branches with some variation in the detailed arrangements of service areas or departments within those divisions. There is variety in the level of centralization with some municipalities having centralized functions for areas like procurement, contract management, and communications, and others having these functions decentralized.

Sturgeon County’s organizational structure (Figure 4) has some unique features which differentiate it from the other municipalities we studied. This includes the arrangement of Engineering Services, Transportation Services, and Fleet Services in three different divisions. In many organizations, including Sturgeon County, these departments frequently collaborate or interact, a fact reflected in an organizational structure that typically sees them “vertically aligned” within a single division. In Sturgeon County there appears to have both historical and current justifications for the current structure and in no organization is it intrinsically or insurmountably challenging to interdepartmental collaboration to have closely related service areas reporting to different general managers or directors. Since each of Engineering Services and Transportation Services were departments reviewed in great depth in Phase 2, further comment about this aspect of the overall organizational structure is deferred to a later part of this document.

**Figure 4: Current Organizational Structure of Sturgeon County (as of June 2018)**
Along with a relatively similar structure, Sturgeon County has slightly lower than average capital and operational budget per capita (Figure 3) and average net municipal taxes\(^1\) (Figure 5) per capita.

**FIGURE 5: MUNICIPAL COMPARISON – TAX REVENUE**

![Taxation revenue (Net Municipal Taxes Per Capita)](image)

\[\text{Net Municipal Taxes} = \text{Net Property Tax Revenue} - \text{Requisitions}\]

**Phase 1 Findings**

The high-level review (phase 1) included engaging with the Senior Leadership Team as well as all service area managers, and initial research on comparable municipalities. Specific findings in each area have been summarized above and MNP also took a ‘whole of organization’ perspective to provide general observations arising from the first phase of the review.

Several key themes were developed after the high-level organizational review was completed. They are outlined in the summary table below and organized in the organizational lenses of People, Process, Technology, and Strategy/Culture respectively.

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\(^1\) Net Municipal Taxes = Net Property Tax Revenue - Requisitions
### People

The majority of MNP interactions with County staff below the SLT level demonstrated that most tend to be more tactical than strategic in their thinking and work orientation. In general, staff have a solid understanding of outward facing service levels, but not the same level of understanding for inward facing service levels. County services are still building understanding and practices related to internal client service (managing expectations, service level agreements, etc.). "Manager" is the universal title that reports to General Managers. In a number of departmental structures, it would seem more appropriate to have a 'Director' title with 'Managers' reporting to the 'Director' (who reports to the General Manager). Please see the Transportation Services section of this report for a case specific analysis and recommendation in this regard.

### Process

While staff certainly have procedures and practices, they are not always formalized in policy (or other documentation) and therefore not solidified within the organization. Many business processes are not documented and can only be conveyed from one person to the next creating a potential source of risk for the organization. Processes for interdepartmental collaboration are being developed in some parts of the organization, but more often collaboration is occurring organically and is driven by individual or group relationships rather than by an organizational strategy to encourage / facilitate cross-departmental work. Given the current structure of the organization, improving documentation of processes of this type could be beneficial and further ensure that corporate knowledge and effective practices are retained in the organization even when there is turnover in staff.

### Technology

Technology is supported through the Information Services Department. While there is a high degree of general satisfaction with general support services (i.e. help desk, email), there are other systemic issues that present as distinct opportunities for improvement. Procurement seems to be managed on a very decentralized basis which is creating tensions between meeting business needs and technology interfaces with current systems / asset management planning.

It appears that County staff are more often than not looking to procure technology vs. solutions to business problems which has / can lead to system integration issues and stress the ability of the Information Services department to provide suitable ongoing support for the technology.

### Strategy / Culture

Overall, there is a feeling of increased stability (emerging from instability) in recent months. The organization is ready for continuous improvement.

The multitude of required Intermunicipal Collaboration Frameworks (ICFs) may have significant impacts for the County in both strategy and operations.

There appears to be an unintentional mix of centralized and decentralized services in the organization. This situation has developed without any overall guiding corporate principle and at times creates instances of overlap that could breed inefficiencies.
DETERMINATION OF PRIORITY AREAS

Methodology

During the initial meeting with the Operational Review Steering Committee, several project objectives and priorities were clarified and confirmed. These outcomes and priorities were re-visited to create a system to evaluate the priority areas for Phase 2.

The outcomes and priorities that were validated included the need to:

- Balance addressing current needs with preparing for the future. This includes the need to be responsive to market opportunities and align with action-focused approach of Council;
- Be aware of organizational elements impacting multiple areas; there is a need to improve cross-departmental interaction. Departments cannot be properly examined if overall context and connectivity of the organization is not considered;
- Ensure alignment to strategic plan;
- Ensure that citizen input and citizen satisfaction are included;
- Consider ease of implementation when analyzing potential changes; and,
- Consider employee engagement (change management, communications) throughout the process and when formulating recommendations.

Keeping these desired priorities and outcomes in mind, MNP assessed the County’s service areas for Phase 2 using a combination of qualitative and quantitative criteria, as outlined below.

<table>
<thead>
<tr>
<th>Criteria / Weighting for Preliminary Priority Areas</th>
<th>Relevance to strategic plan</th>
<th>% of Budget</th>
<th>Satisfaction</th>
<th>Importance</th>
<th>Efficiency</th>
<th>First-Hand Knowledge</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Determines score by assessing each department’s role in achieving goals outlined by the strategic plan</td>
<td>Determines score by estimating what percent of the budget is accounted for in each sector of operations</td>
<td>Determines score by using the 2017 residential survey averages regarding satisfaction of services/offerings of each department</td>
<td>Determines score by using the 2017 residential survey averages regarding importance of services/offerings by each department</td>
<td>Determines score by assessing the potential to improve efficiency in each department</td>
<td>Along with the criteria above, executive administration have insight into the organization and ongoing improvements that helped inform the decision on the priority areas</td>
</tr>
</tbody>
</table>
Analysis

After assessing the alignment to the strategic plan along with the qualitative and quantitative scoring criteria discussed above, five service areas were identified for further analysis in Phase 2. Figure 7 summarizes the analysis.

**Figure 7: Summary of Analysis**

The initial assessment of the Phase 2 focus areas was brought to the Steering Committee for review and discussion. Together, with their collective organizational awareness and knowledge, the Committee identified a need to conduct an in-depth review of both the Business Strategy and Information Services departments even though they did not initially score quite as high against the other five criteria. Robust discussion provided clarity around the additional justifications for each of these service areas, which included both areas’ capacity for broad organization impact.

Additionally, in the initial document review and through the Phase 1 interviews, MNP noted that both procurement and contract management activities were performed by many staff across the organization and that no centralized function for either activity was in place in the organization. Based on experience with other public sector organizations of a similar size to Sturgeon County, MNP brought the potential to achieve cost and process efficiencies in these functional areas to the Committee’s attention. MNP also noted the risks that the County could be exposed to through continued decentralization or less than optimal coordination of these functions, risks that could impact multiple departments. For these reasons, procurement and contract management together were determined to be one of the focus areas of MNP’s Phase 2 detailed review.
PHASE II – DETAILED REVIEW OF PRIORITY AREAS

Methodology

Phase 2 took place over several months from October 2018 to February 2019. Priority areas determined in Phase 1 were Business Strategy, Corporate Communications, Information Services, Engineering Services, and Transportation Services departments. Along with these five departments, procurement and contract management functions were also reviewed across the organization.

Direct Engagement with Personnel from Focus Areas

The approach to Phase 2 was similar to that of Phase 1. It started with a detailed document review of each of the selected areas/functions. This included a more detailed review of documents such as business plans, service level descriptions, performance related data, organizational structures, job descriptions, relevant policies and procedures, etc. The document review was followed with various staff interviews and/or focus groups. The information gathered was used to develop an understanding of the current state and future possibilities for the department/function. Working directly with department personnel and documentation was critical in driving to the level of depth required to fully analyze the current state efficiency and effectiveness of each focus areas. Analysis was conducted and results organized through the lenses of people, processes, technology and strategy.

Organization-Wide Survey

In November 2018, MNP launched a Sturgeon County Survey to 178 employees. 151 surveys were completed, resulting in a strong response rate of 85%. A strong response rate was noted in every department and when assessed according to varying durations of employment or management versus non-management the response rate was also fairly well distributed. The questions focused on procurement and contract management, Business Strategy, Information Services, and Engineering Services. This survey validated findings from interviews and focus groups and provided an understanding of how these departments and functions are viewed internally throughout the organization.

Municipal Workbook (for Comparator Organizations)

In December 2018, a Municipal Workbook was sent out to four different municipalities. Through discussion with the Steering Committee, appropriate benchmark Municipalities were chosen in Phase 1. In Phase 1, research was conducted to compare these organizations to Sturgeon County from a high-level perspective. In Phase 2, Municipal Workbooks were sent to comparators as a vehicle to provide more detailed information on the priority areas of focus. This information was used to provide benchmark data and provide insights to common practices in similar municipalities.
One way of envisioning the Phase 2 methodology for each area is summarized by the Figure 8 graphic. MNP’s recommendations for the future state were largely shaped by three factors: the research into comparator organizations, the gap analysis performed on the current state of each focus area, and insights around the organization’s strategic direction gathered primarily through discussions with the SC. Recommendations were made on how to best improve efficiency and effectiveness — the two primary lenses of the review.

**Business Strategy**

The Business Strategy service area was selected for detailed review primarily because of its importance to advancing the strategic direction of the organization. Further input of senior leadership in the organization indicated a general consensus that the area had room for improving its effectiveness and efficiency and had the potential to be more strategically deployed in its support of the organization.

Given the strategic mandate of the Business Strategy Department [see below], and its position in the office of the CAO, the review of this area is somewhat unique compared to the others in that it, like the service area itself, has a significant focus on strategic considerations (which to a certain extent touch on relevance) and, as such, relies less on quantitative data or municipal comparison and more on an exploration of the specific context in which it functions and seeks to function at Sturgeon County.

**Current State**

**MANDATE**

The stated mandate of Business Strategy is as follows:

*Support the organization by providing professional services, advice, tools and best practices to effectively plan, manage, improve and implement strategic priorities.*

In support of this mandate, the Department has developed three goals for 2019, which are:

- Business Strategy Professional Services and Resources support Departments in implementing the Organization’s Strategy;
- Business Strategy supports the development of a culture of Continuous Process Improvement; and,
- Business Strategy works to align Sturgeon County’s plans with the Strategic planning framework (Strategic plan, Corporate Business Plan, budget, Departmental and Individual Action Plan).

**STRUCTURE**

The Department’s current structure is largely appropriate given its goals and associated key activities.

The figure below provides an overview of the core functions of the Business Strategy Department as well as some high-level commentary on its structural characteristics.

**FUNCTIONS**

- **Strategic and Business Planning**
  - Develop, drive and maintain consistency of County planning documents, strategies, plans, budgets, etc.
  - Probably the best understood of the department’s activities amongst the broader organisation.
  - Demonstrable success and exposure to CAO and Council.

- **Corporate Initiatives**
  - Undertake Strategic Corporate initiatives as identified in planning documentation and upon request of CAO / ST.
  - Support Council & Administration in identifying opportunities.
  - Initiatives not always proactive (i.e., driven by senior leadership / part of long-term plan).

- **Business Analyst**
  - Analyse and assist senior managers in increasing effectiveness and efficiency (business process improvement, documentation standardization, etc.)
  - Usage of these services has been ad hoc in the organization with some taking advantage and others remaining unaware of the service and its benefits.

- **Performance Measurement**
  - Facilitate the development of corporate and department-level performance measures and targets.
  - This function is in development and will benefit from consistent leadership to support and sufficient resources / tools.
  - Currently defined (most often) as a “corporate initiative”.

**INTERVIEWS & FOCUS GROUP SUMMARY**

MNP interviewed each of the two managers individually and then facilitated a focus group session with the entire Business Strategy team. The interviews took place in Phase 1 while the focus group session was held early in Phase 2.

The table below summarizes some of the key commentary arising from the interviews and focus group session.

Comments are organized in terms of people, process, technology and strategy and the lenses of effectiveness and efficiency. Detailed engagement with the entire Business Strategy team was deemed to be important, especially given the relative dearth of municipal comparator data received for this service area.
<table>
<thead>
<tr>
<th>People</th>
<th>Comments on Effectiveness</th>
<th>Comments on Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>17(1)</td>
<td>17(1)</td>
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<th>Comments on Effectiveness</th>
<th>Comments on Efficiency</th>
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**SURVEY RESULTS**

Three questions relating to the Business Strategy Department were posed to Sturgeon County staff through the organization-wide survey. Overall, the responses illustrate a poor understanding of the Department and its mandate. This lack of awareness, perhaps understandably, is somewhat higher amongst non-managers in the organization and in certain service areas that have had less interaction with Business Strategy. Predominantly external-facing departments displayed a similarly higher lack of awareness of the Business Strategy mandate and activities. These data points do not necessarily need to be construed as a negative or especially telling about those parts of the organization.

More important are the broad statistics, such as 39% of the organization that is not sure what the Business Strategy Department is and does. 27% of the organization recognized the Department’s contributions to the development of the Strategic Plan which was certainly one of the most visible initiatives in recent times.

**FIGURE 12: ORGANIZATION-WIDE SURVEY RESULTS – HOW WOULD YOU DESCRIBE THE ROLE/MANDATE OF THE BUSINESS STRATEGY DEPARTMENT?**

- Not sure: 39%
- The manager of certain organization-wide projects: 13%
- The group that develops the Strategic Plan: 27%
- A valued business partner: 15%
- Other: 6%
Anecdotally, MNP understood prior to the survey that certain departments and areas in the organization have been more frequent users / collaborators with the Business Strategy Department. When posed the question “how would you describe the interaction between your service areas and the Business Strategy Department,” responses were again quite evenly varied. Approximately one-third of respondents indicated they had little to no involvement with Business Strategy. Another third expressed either a mixed or unclear opinion of their interactions with Business Strategy. A roughly even percentage of the remaining third of respondents indicated a decidedly positive or negative opinion of their interactions with the Business Strategy group. Sample responses to this question illuminate the organization’s varied levels of interaction with Business Strategy and their assessment of those interactions.

**Figure 13: Organization-Wide Survey Results – How would you describe the interaction between your service area and the Business Strategy Department?**


<table>
<thead>
<tr>
<th>Theme</th>
<th># Count - 87 Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Little to no involvement</td>
<td>26</td>
</tr>
<tr>
<td>Critical (Negative)</td>
<td>12</td>
</tr>
<tr>
<td>Mixed/Unclear Opinion</td>
<td>33</td>
</tr>
<tr>
<td>Positive Opinion</td>
<td>19</td>
</tr>
</tbody>
</table>

**Figure 14: Selected Responses from Organization-Wide Survey: How would you describe the interaction between you/your service area and the Business Strategy Department?**

<table>
<thead>
<tr>
<th>Mixed / Unclear Comments</th>
<th>Positive Comments</th>
<th>Critical Comments</th>
</tr>
</thead>
</table>
Survey participants were also asked to comment on where they would most benefit in the short-term future from the services provided by the Business Strategy Department. Six options were provided. Results indicate that no single response stood out from the others with a small spread between the most common and least common response.

Overall, the survey results indicate a theme of relative unawareness or under-appreciation of the value (or potential value) of the Business Strategy group and what it does for the organization. The Department will need to consider how much control it has over reshaping this situation and promoting awareness across the organization. As suggested by the variety of positions and attitudes reflected in the survey responses, the promotion of the group's mandate will benefit from a strategic and consistent approach.

**Figure 15: Organization-Wide Survey Results - Where would your area best benefit from the support of the Business Strategy Department in the next 2 years? (Ranked 1-6)**

1. Business Analysis Support (e.g., Process Improvement support)
2. Project Management Support and Change Management Support (to)
3. Performance Measures Development and Monitoring Support
4. Departmental Business Plan Development and Reporting Support
5. Environmental Scanning and Policy Research (as part of strategic planning process)
6. Facilitation Services (e.g., internal or external meetings)
Municipal Comparators

The organizations from which we received data either had a small “business strategy” team or none at all. Those that did have a dedicated function placed an emphasis on planning support. Comparatively, Sturgeon County appears to have a more robust dedicated “business strategy” function than other organizations. The Business Analyst function at Sturgeon County, with its focus on continuous process improvement, while relatively new, is a differentiator.

<table>
<thead>
<tr>
<th>Municipal Comparison – Business Strategy</th>
<th>Sturgeon County</th>
<th>Municipality A</th>
<th>Municipality B</th>
<th>Municipality C</th>
<th>Municipality D</th>
<th>Key Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reporting Structure</strong></td>
<td>Business Strategy Manager reports to CAO</td>
<td>General Manager, Corporate Services</td>
<td>n/a</td>
<td>General Manager, Corporate Services</td>
<td>n/a</td>
<td>There is a variety of reporting structures but typically there is a linkage to corporate services. Other, more robust organizations, (e.g., the City of Edmonton or the City of St. Albert) may have a stand-alone / dedicated “corporate strategy” department</td>
</tr>
<tr>
<td><strong>FTEs</strong></td>
<td>3 FTE</td>
<td>~2 FTEs</td>
<td>n/a</td>
<td>2 FTEs</td>
<td>n/a</td>
<td>These groups are typically small in smaller municipal organizations</td>
</tr>
<tr>
<td><strong>Mandate</strong></td>
<td>Support the organization by providing professional services, advice, tools and best practices to effectively plan, manage, improve and implement strategic priorities.</td>
<td>Oversight of strategic planning, corporate planning, and departmental business planning</td>
<td>n/a</td>
<td>Supports Municipality-wide initiatives relating to strategic and corporate planning.</td>
<td>n/a</td>
<td>Sturgeon County’s mandate is more robust than the two comparable organizations that have a similarly dedicated business strategy function. With this broader mandate comes an even greater need to control the associated scope or work</td>
</tr>
</tbody>
</table>

That is not to suggest that the comparable organizations do not undertake similar tasks through non-dedicated personnel and teams (i.e., through staff in other departments). Rather, it can be suggested that Sturgeon County is making the case for the system-wide consistency and capacity building a unified and more robust “business strategy” function can offer the organization.
Recommendations

Business Strategy has a positive foundation that should be recognized and built on. It has recently lacked the overt support of senior leadership which has undermined its effectiveness. Provided new leadership is supportive of the Department and its activities, the following five recommendations will position the group for optimize effectiveness and efficiency.

Define a Practical, Achievable, & Strategic Mandate

The Department’s written mandate concisely describes its aspirational role in the organization, that is, to be a driver and support for strategic priorities. The question that immediately arises when reviewing this mandate is how “strategic priorities” are defined, and whose strategic priorities are being supported by the Business Strategy team? The CAO’s / the organization’s? Those of the departments they work with? Their own?

The secondary question pertaining to the mandate, which is almost certainly more difficult to address, is to define the scope of work that corresponds to that mandate and by association, what should be “out of scope” for the Business Strategy group. Several of the following recommendations will contribute to the ability to better define the Department’s scope of work, which, like the mandate itself, must be practical and achievable.
Work to Increase Organizational Awareness of Business Strategy and its Mandate

Survey responses and anecdotal evidence from the Business Strategy team indicate that a lack of awareness of the group’s mandate and priorities is a significant barrier to effectiveness and efficiency.

Any “awareness campaign” should begin at the senior leadership level. If leaders are convinced of the value and efficacy of the Business Strategy group, they will share those feelings with others in the organization, particularly those at the Manager level who, in turn, can become “champions” of the Business Strategy group and its activities. This process may be facilitated by providing a member of the Business Strategy group regular access to SLT meetings.
The Business Strategy group might consider partnering with Corporate Communications to develop some materials that explain its mandate and scope of work and provides some concrete examples of past projects and initiatives that have brought improvements to various departments.

**Improve Prioritization and Work Allocation**

At some level, this is simply a matter of enforcing processes and procedures that are already in place. The Business Strategy group inherently understands the importance of staying focused on priority tasks and projects and not over-committing to other time-consuming activities. The reinforcement of the mandate and scope will also support improved prioritization and work allocation.

Other tools, such as the project tracker (i.e., the “hopper”) need to be better utilized and can be enhanced to improve functionality. The key piece not currently tracked is priority. It is recommended that, at a minimum, the tracker be updated to categorize projects and process as high-, medium-, or low-priority. This will help when decisions need to be made whether to take on a new project perhaps at the expense of an existing project or as a challenge to existing project timelines and resourcing.

Adjusting or updating the tracker to assist in the generation of easily digestible reports (for SLT and/or the CAO) is another consideration for the group.

**Consider Acquiring New Tools to Support Business Planning, Performance Measurement and Project Management**

Business planning and performance measurement across the organization are key functions of the Business Strategy group and are an area where they have enjoyed recent success. Building on this foundation, and in response to some comments from clients in the organization, any techniques or tools that make related processes less onerous would be welcomed by the organization.
A tool such as Envisio, for example, would not only make this process easier for clients, but would also reduce long-term effort on the part of the Business Strategy resources involved in business planning and performance measurement.

For greater coordination and executive oversight, a project management dashboard tool would be of great value. This could range from an in-house MS Office suite based tool (i.e. MS Excel) through to more sophisticated applications that could be procured in the marketplace once business needs and requirements have been fully defined in alignment with the structure, mandate and the level of integration with other departments has also been defined.

The fluctuating level of sponsorship Business Strategy has received from leaders in the organization has contributed to less than optimal efficiency and effectiveness. With that senior-level sponsorship in place, the Department is well-positioned to make some impactful changes in the short- and medium-term future.

Some of these changes will be organic: the Business Strategy team is already well-aware of most of the pieces of their business that could be improved. Often enough, it is expected that behavioural changes will have as much or greater impact than any changes to technology or processes. The Department should take responsibility for making positive changes to their day-to-day use of the tools and processes they already have in place and to work collectively on learning to say “no” to requests that are not aligned with the mandate or are not high enough priority.

If the Department can successfully implement even some of these small changes, with the support of senior leadership in the organization, they will be positioned to become a valued business partner down the road, building up trust and earning respect across the organization.

Potential Funding Implications

The initial purchase and implementation of a strategic/business planning platform such as Envisio can be expected to be in the range of $30,000. Annual licensing costs will vary depending on the number of licenses the organization requires.
High Level Implementation – Business Strategy

<table>
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<tr>
<th>People</th>
<th>Process</th>
<th>Technology</th>
<th>Strategy</th>
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<tbody>
<tr>
<td>• SLT to clarify current roles and responsibilities – ensure role descriptions clearly articulate accountabilities, responsibilities</td>
<td>• Update project management / project tracking tools (i.e., “the hopper”) to clearly articulate project complexity, estimated level of effort, and priority (i.e., impact on strategic mandate of the organization and department)</td>
<td>• Consider acquisition and implementation of a Business Planning / Performance Measurement platform (e.g., Invisio) to facilitate organizational planning activities</td>
<td>• Hold strategy sessions with SLT (i.e., stakeholders) to validate mandate and core solutions</td>
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<tr>
<th>Short Term</th>
<th>Medium Term</th>
<th>Long Term</th>
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<tr>
<td>&lt; 1 Year</td>
<td>1 – 3 Years</td>
<td>3 + Years</td>
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- Establish service levels and definitions for support types (e.g., facilitation, capacity support, tools and materials, etc.)
- Consider acquiring / developing PM dashboard
- Continue tracking activities and effort (e.g., planned vs. unplanned, high-priority vs. low-priority)
Corporate Communications

During the Phase 1 Review Corporate Communications (Communications) was identified as highly relevant to the Strategic Plan. Further, seen internally as the “megaphone” of the organization, its potential role in improving the perception of Sturgeon County amongst residents and rate payers was deemed a vital role worth further exploring. The focus of the dedicated Phase 2 review of Corporate Communications was on service offerings, service levels, capacity, organizational structure (reporting structure, centralized/hybrid/decentralized), and opportunities for improvement moving forward.

MNP approached these focus areas through in-depth interviews with the Corporate Communications team, as well as interviews with internal clients from various departments in the organization. This information was then compared to a cross-jurisdictional municipal scan.

Current State

ORGANIZATIONAL STRUCTURE

Corporate Communications is structured centrally with all communications functions and activities housed within the Department. As demonstrated by Figure 17, when the Operational Review was initiated (summer of 2018), the Communications team reported to the General Manager of Corporate Services. Early in 2019, the organizational structure was reformed, and Corporate Communications was moved to report directly to the Chief Administrative Officer (CAO). This move has marked a point of transition. Leadership has voiced their support to move Communications into a more strategic role within the organization, and the Communications team has voiced their desire to be viewed as a collaborative business partner within the organization.

Corporate Communications is currently staffed with 3.45 full time equivalents (FTEs) and one temporary Communications Coordinator position. During interviews, many employees expressed their concern over the temporary nature of the contract position. All interviewed were supportive of the extension of the Coordinator contract and mentioned the team would be severely under-resourced without this position. Given the wide range of services provided by the communications team both individually and collectively, the current roles would be best characterized as generalists.
**STRATEGIC VS OPERATIONAL**

**FIGURE 18: CORPORATE COMMUNICATIONS CURRENT STATE ACTIVITIES**

**Communications Core Services**
- Advisory Services
- Key Message Development (Council priorities)
- Media Protocol & Strategy
- Emergency Public Information (Public Information Officer)
- Issues Management and Public Relations
- Strategic Communications Planning

**Marketing Support Services**
- Corporate Advertising
- Corporate Marketing Standards and Guidelines
- Corporate Brand and Visual Identity (including graphic standards)
- Web and Digital Marketing Strategy and Guidelines
- Marketing Campaign & Advertising (Strategy (including promotional items)

**Operational**
- Issues Management
- Council Relations
- Emergency Response Communications
- Manage public email listservs (announcements)
- Corporate Publications—Internal and External (Sturgeon County Works, County Connections, Summer Program Guide, FYI Weekly, etc.)
- Intranet (Content, Scoop, M3—Monday Morning Message)
- Writing/Copyediting/Proofing Support (Email Signatures, budget highlights, printed material, presentations, etc.)
- Media Relations Support (Point of Contact, Interviews Liaison, provide talking points, Training, new releases)
- Digital Communications (website, Facebook, Twitter, Instagram, YouTube)
- Internal Communications (drafting internal messaging)

**Intranet (Design)**
- Website and social media coordination
- Coordinate corporate advertising (develop, book advertisements, manage contract work)
- Creative work:
  - Graphic Design (e.g. personal Christmas cards)
  - Advertising and Branding
  - Video production
  - Photography
  - Promotional items

**Other Services**
- Event Planning (lead and support)
- Public Engagement Support (Community Events, Ribbon Cutting, Volunteer Appreciation, Community Meetings with Council, etc.)
- Internal events (Christmas party, Long Service & STAR Awards)
- Survey Development and Support (i.e. Resident Satisfaction, Cannabis, Budget)
- Staff Contingency, ID Cards, Business Cards, Photos

- Intranet Management
- Research
- Project Management
- Change Management
- Job Postings
Corporate Communications currently serves as a “catch all” for anything and everything viewed as related to communications. As demonstrated by Figure 18, activities go well beyond “core” communications functions and include significant marketing and design services. The Centennial Event, which took place this past year, resulted in the Communications team taking on the most public engagement and event planning that they have ever managed. The demand for more work in these “other services areas” (listed in the bottom box of Figure 16) that are peripherally related to communications has been increasing steadily. Furthermore, most of the work completed by Communications is operational or tactical in nature, leaving limited capacity to undertake strategic or capacity-building initiatives. Communications staff and services are highly regarded amongst internal stakeholders. There are concerns from stakeholder departments that the Communications team is being pulled in too many directions. Expectations on the team are increasing, and they are already stretched to capacity. There is a desire to be more strategic in approach but without a clear focus on what service offerings make most sense, this goal is unreachable.

Mandate

The stated mandate of Communications is as follows:

The Corporate Communications Department aims to promote a positive image of Sturgeon County and inform the organization and community with the services and programs provided by the municipality. This is achieved through various media, including publications, social media, and events. Sturgeon County's Corporate Communications Department provides strategic communications services intended to align with the County's values of Collaboration, Accountability, Respect, Safety and Excellence.

As discussed above, the Communications team takes on a significant amount of operational work in their support of client departments. While the mandate outlines some of the operational services, it does not capture the diversity of services they have been delivering. The mandate also outlines their desire and directive to provide strategic communications services. As mentioned, it is difficult to offer services that make the most sense (strategically) when there is high demand for other services (event planning, public engagement etc.).

Principles

Communication's stated Guiding Principles also exemplify the tactical and operational focus of support that the team currently delivers to clients. Understanding leadership's desire to shift communications into a more strategic role—Communications is going to need to re-evaluate how they approach this fundamental transition. Strategic work is by definition aligned to support and drive an organization's stated objectives. Current principles do not drive the new strategic directive.
Current State Analysis

People

- Staff are highly regarded with a broad background of skills, however no existing marketing expertise. The position titles reflect generalists more than specialists in communications or marketing service areas.
- The team has functional roles providing organization-wide service offerings rather than advisory roles specific to client departments.
- Concern from internal clients that Communications is not going to be able to support them in the future (perceived capacity issues). The team itself, is concerned about the temporary Coordinator position and their ability to meet current demands without this contract renewal.

Process

- There is a lack of clarity in roles and responsibilities. The team’s service offerings are diverse and there are no clear processes or policies around the type of work they take on, so current expectations are that they will do most services (even those only relatively related to communications).
- There are also high expectations around response time for internal services. There is no clear process for prioritizing work or to manage client expectations on reasonable timelines.
- The team has started to build processes to enable more proactive communication, but this requires more capacity and communication with other departments.

Tech

- Identification of the desire to enhance digital and social media presence with software support (as FTEs are at full capacity).
- No online platform to organize or process internal client request (i.e. ticketing system).

Strategy

- Overall strategic communications are missing. There is a team desire to move towards a business partnership model, and there is support from leadership.
- The internal brand of what the Communications team does or should be doing is not consistently understood across the client departments. This confusion has led to comments that Communications is the “newsletter team” or the “event planners”. There is not a strong organizational understanding of Corporate Communication’s role.
- The team recognizes that more public engagement and communication to the public will be expected, and the desire for a stronger focus on social media.
- There has been a focus on tactical activities over strategic outcomes (e.g. Guiding Principles in 2018 Report are operational in nature).
### Municipal Comparison – Corporate Communications (CC)

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<thead>
<tr>
<th>Sturgeon County</th>
<th>Municipality A</th>
<th>Municipality B</th>
<th>Municipality C</th>
<th>Municipality D</th>
<th>Key Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting Structure</td>
<td>Comms Manager reports to the Director of Community Services L4</td>
<td>Comms Manager reports to CAO L2</td>
<td>Comms Director reports to GM, Corporate Services L3</td>
<td>Comms Manager reports to GM of Financial and Corporate Services L3</td>
<td>There is a variety of reporting structures (ranging from level 2 – level 4) for communications and there is also a variety of locations within administration.</td>
</tr>
<tr>
<td>FTEs</td>
<td>4 FTEs</td>
<td>4 FTEs</td>
<td>4 FTEs</td>
<td>4 FTEs</td>
<td>It is common practice to have 4 FTEs in CC departments. This validates many concerns that were voiced around the contact position. Relative to other municipalities, there is a strong argument to permanently add the contract position.</td>
</tr>
<tr>
<td>FTEs Outside Communications Department</td>
<td>All done by CC</td>
<td>Majority done by CC, Significant projects may have departmental resources involved coordinated by staff and include contractors.</td>
<td>Each department has a communications champion who has responsibilities in the area. Approximately 20 FTEs.</td>
<td>None</td>
<td>Majority done by CC, five focused social media accounts that are managed on a day-to-day basis by staff outside of the Communications department, with direction/support from the Communications team. Some municipalities have built capacity in other departments through relationships (i.e. <em>communication champions</em>), support in outsourcing activities, or allowing ownership over certain service offerings with CC guidance.</td>
</tr>
<tr>
<td>Scope of Work</td>
<td>Sturgeon County</td>
<td>Municipality A</td>
<td>Municipality B</td>
<td>Municipality C</td>
<td>Municipality D</td>
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<tr>
<td>Internal/External Digital Communication</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Media/Stakeholder Relations</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
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<tr>
<td>Marketing</td>
<td>✔️</td>
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<tr>
<td>Social Media</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
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<tr>
<td>Event Planning</td>
<td>✔️</td>
<td>❌</td>
<td>✔️</td>
<td>❌</td>
<td>❌</td>
</tr>
</tbody>
</table>
Municipal Comparators provide insight to what *common practices* exist. However, it is important to note that they do not necessarily reflect *leading practices*. Along with investigating what other municipalities are doing, the Department can study other Corporate Communication teams outside of local government. In a few conversations with the team, EPCOR was identified as an innovative Communications group outside of local government due to their proactive seasonal educational videos. This is one example of a leading practices the team can draw innovation inspiration from.

**Recommendations**

Corporate Communications is at a pivotal point in the evolution of the Department’s current role. The recent re-structure and newly appointed leadership has set out clear objectives for the Department to transition to become a *strategic business partner* within the organization. With the recommendations below, the team would start focusing more on strategic initiatives and slowly focus less resources and efforts on operational services. Corporate Communications can act deliberately and with clear focus, to be viewed as vital partner within the organization.

**Re-Structure Corporate Communications Department to the Office of the CAO**

Over the course of the project the Corporate Communications department was moved out of the Corporate Services Division and transitioned to report directly to the CAO. This structure is not uncommon in organizations where Communications is seen as the consolidated voice. Although early on in this new structure, this move will allow Communications to speak strategically – specifically in support of County leadership including the CAO as well as Mayor and Council. With this move towards more strategic work, and without additional resources, Communications is going to need to act less tactically/operationally and allow Departments to take on a larger role (*described below*). Corporate Communications can no longer be a “catch all” for extra services the organization needs.

> Corporate Communications moved to OCAO and reports directly to CAO as of January 2019.

**Re-Evaluate the Department Mandate and Guiding Principles**

A mandate should clearly articulate the directive of the department. With the recent structural move of Communications, it is important to consider if the current mandate still represents their role in the organization. There are increasing expectations from leadership to support more strategic endeavors including:

- The Mayor’s profile is increasing as the County’s representative at the Edmonton Metropolitan Region Board (EMRB);
- CAO is looking towards new branding activities that are reflective of a renewed strategic focus;
- Significant residential, commercial and industrial growth expected and desired in coming years; and,
- Intermunicipal Collaborative Frameworks, which has been estimated at 15 agreements to complete by 2020.

The Communications team should determine if they are able to fulfil leadership’s changing expectations within the existing mandate.
Along with re-evaluating the teams mandate, they should also re-evaluate their Guiding Principles. Currently they focus on operational aspects, like the mandate. Below are key considerations for developing strategic Guiding Principles.

**Figure 20: 5 Considerations for Developing Corporate Communications Principles**

| Be Strategic | Focus on results and not tactics. Ask “what is it we are trying to achieve and how can Corporate Communications help?” |
| Define Success And Measure It | Either quantitatively (KPIs) or qualitatively (project debriefs) establish a commitment to performance and hold the organization accountable. Evaluate and validate communications activities or stop doing them. |
| Execute Communications From The Inside-out | Communications efforts must take an audience-centric approach, with employees always included as a key audience. Internal communications and healthy employee engagement drive corporate alignment and is fundamental to organizational performance. |
| Act With Purpose | Proactive activities cost the organization less than responsive or reactive work; both in terms of money and risk. Plan, research and engage Subject Matter Experts in the development of proactive work (i.e. Good News Stories). |
| Cultivate A Deliberate Culture | A leadership-driven culture of collaboration, employee empowerment and open communications would work to break down silos and drive authenticity at an enterprise level. |

**Develop a Service Catalogue**

Communications needs to develop a formalized catalogue detailing all their service offerings. This document can be leveraged to set expectations internally of what the Department can provide their clients, which will help clarify roles and responsibilities. It will also ensure the team considers what strategic communication services they wish to offer with their limited capacity. It is important to note that there is just as much need to define and clarify what services Communications does not provide. With limited resources and a transition to a business partnership model, the team needs to narrow their service offerings. Once the service offerings are clearly defined and formalized, Communications can work with Finance to create a list of preferred vendors for any related outsourcing needs.

**Develop Service Level Standards**

Within the Service Catalogue, Communications can formally outline service level standards. Staff external to the Department have come to rely on expedient, responsive service from Communications. In times of high demand these expectations can be difficult to manage. Setting standards around response timelines will ensure priority areas are managed efficiently. It will also enable those clients waiting on services that are not as high of priority to better understand why their turnover may be slower. For example, helping prepare messaging for an event may require a months’ notice, whereas issues management or dealing with emergency responses may only require hours’ notice, and will be prioritized.
By introducing service timelines and parameters for expectations – Communications staff can better educate County staff going forward. It is about building an understanding of impact and thereby, improved behaviors so staff proactively involve Communications as early as possible.

Review Current Publications

Communications needs to conduct a review of current publications. The more thoughtful and deliberate the department can be with publication development, the more resources can be utilized in other strategic areas. Furthermore, as the Sturgeon County brand is established it is even more important to ensure it is reflected in each of the publications. The list of active publications along with some considerations to help decide if each document is strategic are listed in Figure 21 below.

**Figure 21: Current Publications and Considerations for Strategic Review**

- **Corporate Publications (Print and Digital)**
  - County Connections Centennial Newspaper
  - Strategic Plan – Corporate Business Plan support
  - 2018 Operation & Capital Budget document (proposed and approved versions)
  - Sturgeon Works Employee Magazine (Annual)
  - Weekly FVI – 52 Newsletters
  - Monthly FVI – 12 (Digital only)
  - Get the Scoop – Employee Newsletter – 4 quarterly
  - Email Subscriptions (3)
  - Business Elite Magazine Feature (September 2018 Edition)
  - Numerous brochures, posters, and promotional material including signage

**Considerations for Strategic Review**

- Is this publication audience centric?
- Does it align with the intended outcome?
- Is it reaching it’s target audience?
- Does it support the organization’s priorities?
- Is there a more effective way to deliver this message?
- Can any of them be consolidated?

> As of January 2019, it is understood that there has been some review of publications and marketing approaches. MNP recommends that the Communications department ensure that the appropriate strategic considerations outlined above have been applied and that review conclusions are commensurately sound.
Develop Capacity Across the Organization Through a Partnership Model

With limited resources and capacity, Communications could consider a move away from being a purely centralized system, where all control and ownership is housed in one department (Communications) and adapt more of a hybrid model that establishes a partnership relationship with client departments that equips them with the associated corporate guidelines, templates, and tools to execute on their own department communications requirements.

Within this model the Communications team would still be centralized, but some capacity for the production of communications materials would reside with client departments and their staff. The Communications team would act as advisors and experts to help guide the creation of key communications materials that would equip department staff with the guidelines to produce content specific to their operational/tactical activities of the department; especially those departments that have high communication needs. To build this capacity, Communications would identify Communications Champions in each department. Like the structure reported in the Municipal Comparison chart for Municipal Comparator B, a champion would act as the key point of contact and subject matter expert within their respective teams for Communications, responsible for the planning, delivery, and/or approval of all department specific communication. Key to this shift is first defining a renewed Sturgeon County brand, ensuring departments internalize the established brand and that daily interactions amongst and within departments – and to the public - demonstrate brand consistency. An upfront investment in time and effort would be required to first identify and ready the Communications Champions, and then ensure the suite of corporate communications guidelines and tools are developed and socialized consistently across all department Communications Champions.

Examples of these guidelines and tools could include corporate branding and visual identity guidelines, key corporate messaging, templates for internal, external, and social media communications, guidelines for communications approvals (strategic to tactical), expert advisory support and review guidelines by Communications, and media relations and issues management protocol. The aim is to equip those closest to the work (departments) with easy and accessible supports in order to self-produce communications materials that would in turn be highly responsive, nimble, and subject matter specific. From a Communications perspective, Communications Advisors would be available to help provide assistance and guidance as needed as the Communications Champions are building their departmental materials. For instance, the Transportation Communication’s Champion can plan when annual roadwork work is scheduled and own the development of key communications, with the support, guidance and templates from their designated Communications Advisor.

As the partnership model is forming, the Communications department can build tools to enable these department Champions. Through conversations with departments Communications can start to identify the needs of specific areas. To enable departments to have the ability to do operational work on their own (with Communications guidance) Communications needs to develop a Communications Handbook. This tool would outline all the proper communication protocol through well-articulated guidelines. It is key to ensuring that all external messaging stays consistent and within the parameters and policies set out by Communications. This tool would also be augmented by the development of standardized templates. Templates would allow departments that need to proactively push information frequently to do so more very efficiently. As of March 2019 this shift is already underway.
Create a Communications Handbook

Communications needs to develop a Communications Handbook consistent with the established brand. This tool would outline all the proper communication protocol through well-articulated guidelines. It is key to ensuring that all external messaging stays consistent and within the parameters and policies set out by Communications. This tool would also be augmented by the development of standardized templates. Templates would allow departments that need to proactively push information frequently to do so more very efficiently.

Leverage Technology to Create Efficiencies and Free up Capacity

The Communications team has recognized the need to expand their social media presence to run more proactive messaging. The team does not currently have capacity to build functionality in this communication channel. It is recommended that the team utilizes a social media management tool like Hootsuite, Sprout Social or Socialflow. These platforms provide dashboards that save users a significant amount of time by enabling them to pre-plan and organize their social media content for multiple accounts in one place. They also provide valuable performance tracking reports. When capacity is built in other departments, the platform will allow multiple users to develop the content being queued, which would provide a method for Communications to review content curated by other departments. This allows Communications to distribute work but remain in control of outgoing messaging.

Hootsuite, Sprout Social and Socialflow are only examples of various platforms. The Communications team would be responsible to find the management tool that best matches their needs. All platforms offer slightly different advantages and limitations. Choosing the best one to match the needs of the organization will require research by someone who has insight to what the organizations needs are and the functionality they will require to match the team’s needs.

MNP understands that Sturgeon County administration is exploring the use of viable social media management tools inclusive of some of the tools identified herein.
Looking to the long term, when the management positions are in place and the capacity within client departments has been established, Communications may need to look to more efficient processes for internal client management. This platform could be an online client ticketing system or something similar, depending on the evolved team’s needs. For example, larger and more complex Communications departments have had to become more diligent in delineating strategic from operational service requests and service levels delivered as a means of
prioritizing and effectively managing levels of department capacity. Some organizations go to a ticketed system or service level agreement (SLA) to clearly articulate what is and isn’t available for service and support. Again, this is a longer-term consideration that necessary for action in the immediate term. Rather, food for thought on potential impacts and potential solutions as your Communications department continue to grow and evolve.
### High Level Implementation – Corporate Communications

<table>
<thead>
<tr>
<th><strong>Short Term</strong></th>
<th><strong>Medium Term</strong></th>
<th><strong>Long Term</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>People</strong></td>
<td><strong>Process</strong></td>
<td><strong>Technology</strong></td>
</tr>
<tr>
<td>24(1)</td>
<td>Develop a Service Catalogue and Service Level Standards</td>
<td>24(1)</td>
</tr>
<tr>
<td></td>
<td>Review current publications</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Develop Knowledge of Business (KOB) of Priority Area via weekly/biweekly meetings (Transportation and Utilities)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Identify ‘Communications Champion’ within each department</td>
<td></td>
</tr>
<tr>
<td></td>
<td>24(1)</td>
<td></td>
</tr>
<tr>
<td><strong>Strategy</strong></td>
<td><strong>Technology</strong></td>
<td><strong>Strategy</strong></td>
</tr>
<tr>
<td>24(1)</td>
<td>Adjust organizational structure to report directly to CdO</td>
<td>24(1)</td>
</tr>
<tr>
<td></td>
<td>SLT to re-advance mandate, guiding principles, roles and responsibilities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SLT to formalize and communicate sponsorship and awareness of mandate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Identify next priority areas for KOB</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Community Services, Economic Development, etc.)</td>
<td></td>
</tr>
<tr>
<td>24(1)</td>
<td></td>
<td>24(1)</td>
</tr>
</tbody>
</table>

- Work with procurement to develop list of preferred vendors (for communications, marketing, public engagement activities beyond capacity of the department)
- Improved platform for internal client service – potential ticket system
Potential funding implications

**Corporate Communications Funding Implications for Recommendations**

- Moving to a more strategic model may require reducing CC service offerings, which may result in increased contract work (outsourcing costs) – to be determined on a case by case / business need basis

- Building capacity through the department and leveraging a social media platform that allows multiple users requires an estimated investment of approximately $170 / month

**Potential Savings**

- Time spent on responding to and resolving resident complaints / issues
- Reputation risk for the County based on increased coherence of the County “brand”
- More focused time on communications activities at the service area level which will free up time to work on core responsibilities (increased efficiency and effectiveness)
Procurement and Contract Management

In MNP’s phase 1 review it was noted that both procurement and contract management were performed on a very decentralized and siloed basis. In addition, there was not a generally accepted central authority / subject matter authority in the County administration to support the highly distributed approach to procurement and contract management. On the premise that there could be opportunity to achieve cost and process efficiencies in these functional areas as well as the potential that the County could be exposed to unnecessary risk, it was agreed that procurement and contract management would be one of the focus areas of MNP’s phase 2 detailed review.

Sturgeon County does not have a dedicated service area for procurement nor contract management as those functions are performed on a decentralized basis in the respective service areas (departments). The main focus of the phase 2 review was to ascertain how many places and how often procurement and contract management was happening throughout the organization and with what level of confidence. Through analysis of survey data, key informant interviews, municipal comparator data and generally accepted lifecycle frameworks, MNP has developed observations and recommendations to improve the efficiency and effectiveness of the procurement and contract management functions in Sturgeon County. MNP’s review was restricted to a high level review and findings; this did not include any testing or audit of controls in the scope of this engagement.
Procurement

CURRENT STATE

Procurement and Contract Management are the two main components of obtaining a good and or a service. As illustrated in Figure 23 - procurement lifecycle, contract management is the “manage and pay” part of the lifecycle. Contract management has its own lifecycle and is outlined later in this report. These are the two generally accepted lifecycles against which MNP assessed the Sturgeon County current state.

Procurement is a responsibility and function currently performed in each Sturgeon County service area as the need arises. For the most part it appears to be functions performed by supervisors / managers (with assistance from other staff in their service areas at times) and responsible parties are expected to have the expertise and capabilities to perform the procurement functions / activities that are necessary to deliver against their service delivery objectives.

Procurement is a combination of P-Card (BMO corporate credit cards issued to authorized employees) purchasing and Accounts Payable (purchase orders / invoices for contracted goods or services). In 2018, the total procurement spend was approximately $49.3 Million. The majority of the procurement spend was via accounts payable ($48.7 Million) and the remainder (approx. $671 thousand) was through P-Card procurement.

Sturgeon County has established policies and procedures in place to direct and guide procurement activities in the organization. Process requirements (i.e. use of P-Cards, # of quotes and when formal RFX approach posted to public tendering site must be used) are outlined based on purchase amount thresholds. Please see Municipal Comparator section for an outline of spending thresholds and comparison to other comparable municipalities in Alberta.

With no definite recognized centralized resource on procurement policies, procedures and tools, staff in individual service areas rely on a variety of strategies to conduct their procurement activities. This is a decentralized and mainly non-standardized approach to procurement.

SURVEY FINDINGS

Survey results indicate that most employees spending time on procurement are managers, only 7% of respondents that said they never spend time on procurement hold management positions.

With regard to policies and procedures, 39.08% of respondents agreed that a “clear framework exists and is referenced and followed by managers / employees involved in procurement activities” – which would thus indicate that a majority of respondents do not agree with the statement. Additionally, more than 25% of respondents noted
that "policies and guidelines exist but are not always followed" and approximately 22% of respondents agreed that "policies and guidelines exist but are not always useful (i.e. do not work for all scenarios / outdated)."

Effective procurement balances the speed at which goods or services can be procured as well as obtaining best value for money and mitigating risk exposures for the organization. Of the 58% that indicated that they have done procurement work, the respondents ranked their confidence level in effectively doing so (as previously defined) in the figure below. The average confidence rating was 2.61 on a scale of 0 - 4, where 0 indicated no confidence and 4 indicated high confidence.

**Figure 24: Employee Confidence Rating - Procurement**

- **Employee Confidence Level Scale - Procurement**
  - Not Confident
  - 0
  - 1
  - 2
  - 3.61 Mean
  - 3
  - 4
  - Highly Confident

38% of respondents who said they have done procurement work ranked their confidence between 0 – 2 (low confidence level).

Frequently spending time spent on procurement was identified in departments across the organization, with many spending time weekly or daily.

**Departments that identified spending time on procurement Weekly:**
- Information Services
- Agriculture Services
- Community Services
- Utility Services
- Economic Development
- Engineering Services

**Departments that identified spending time on procurement Daily:**
- Financial Services
- Fleet & Building Services
- Current Planning & Development
- Protective Services
- Transportation Services
Sturgeon County currently has no dedicated full-time equivalents (FTEs) for this function. However, there are people from across the organization frequently spending time on procurement. As Figure 25 breaks down, in total 12 respondents are spending time weekly or daily on procurement. It is evident several employees are spending large periods of time on this function, as the total hours equates to somewhere between 3.6 to 5.3 FTEs. This a conservative calculation, those respondents who reported spending over 6 hours a day or week were calculated at 6 hours.

**Figure 25: Full Time Equivalent Breakdown for Procurement**

When asking respondents where they see challenges in the procurement process the number one challenge identified was that the procurement process was inefficient. The second highest ranking challenge was the ability to manage risk and mitigate issues and exposure. The third highest was time management.

In the survey when employees were asked about policies and framework for procurement, 50% felt there were clear policies and guidelines in place (see Figure 26).

**Figure 26: Procurement Policies**

- Are there well understood policies or guidelines for procurement within your department?
  - Yes, a clear policy and guidelines exist and is referenced by managers/employees involved in procurement activities: 50%
  - Policies and/or guidelines exist but are not always followed: 15%
  - Policies and/or guidelines exist but are not always useful (too inflexible for all scenarios/outdated): 15%
  - I am not aware of any applicable policies or guidelines that should be referenced/followed: 8%
  - Other, Please Specify: 13%
In answering “Other. Please Specify”, many respondents voiced concern around not knowing which department or “specialist” to direct questions to when troubleshooting a procurement issue. Many respondents noted that they tend to ask colleagues what has been done in the past and those colleagues are referencing their memory, not necessarily formalized documents / policies / procedures for answers. This concern was further validated during various interviews with different departments. It was mentioned that County employees often turn to Engineering Services when they have procurement questions. Through further discussion with Engineering Services, the team does not feel that they have the expertise to lead others in the correct process and expressed concerns around risk management.

CURRENT STATE ANALYSIS

People
- There is large amount of time being spent on procurement - 12 respondents reported they frequently (daily or weekly) spend time on this function, the total hours equates to between 3.5 to 5.3 FTEs.
- Based on reported confidence levels, a large percentage of people with procurement responsibilities do not have the confidence in their expertise to fulfill their responsibilities in an efficient and effective manner.
- Those spending time on procurement frequently are from various departments throughout the organization.

Process
- Anecdotally compliance with policy is not that high (Survey results point only 50% of respondents who work on procurement agreeing there are well understood policies and guidelines in place and being used).
- Appears to be a lack of understanding of policies because 38% of respondents ranked their confidence low in performing proper procurement between (0 - 2).
- The majority of the procurement spend was via accounts payable ($48.7 Million) and the remainder (approx. $671 thousand) was through P-Card procurement.
- Decentralized with little to no central support. Survey points to how employees are dealing with this - many go to ES for direction, or ask other colleagues what has been done in the past (as per survey responses).
- Many survey respondents expressed desire to have a subject matter expert.

Tech
- Individual service areas use technology solutions that they have access to and are comfortable with. There is no enterprise level IT solution or application to facilitate the management and oversight of procurement activities.
- Decentralized function resulted in the inability to conduct vendor management, category management, and enterprise level spend analysis to coordinate and optimize spend / leverage buying power of the organization.
- Given emerging strategic focus on intermunicipal collaboration, very difficult to collaborate with another organization / Municipality without a unified view Sturgeon County's procurement.
- Risk exposure: (effectiveness issues) Sturgeon County is exposed to a number of different risks including reputation / transparency risk, process efficiency, specifications leading to scope definition leading to quality of outcomes in contracted services scenario.
- Confidence that always in compliance with interprovincial agreements (without central view / oversight and decentralized approach it is difficult to have certainty or confidence at any given time).
- Confidence in achieving best value for money (risk of paying too much and/or not accessing the best quality good/service).
MNP conducted some detailed jurisdictional review by requesting information from comparable municipalities. A summary of findings is presented below.

### Municipal Comparison - Procurement Management

<table>
<thead>
<tr>
<th>Sturgeon County</th>
<th>Municipality A</th>
<th>Municipality B</th>
<th>Municipality C</th>
<th>Municipality D</th>
<th>Key Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dedicated FTEs</td>
<td>0 FTEs (Shared Across Departments)</td>
<td>4-5 FTEs (Assuming each department spend 3-4 hours a week on procurement)</td>
<td>1.5 FTEs</td>
<td>4 FTEs (Shared across departments)</td>
<td>Procurement Services take approximately 2-4 FTEs worth of effort</td>
</tr>
<tr>
<td>Procurement Structure</td>
<td>Decentralized (Some components specialized)</td>
<td>Decentralized (with oversight and advice through Finance)</td>
<td>Centralized (Decentralized for goods and services &lt;$75K)</td>
<td>Centralized (when it is a low value it is decentralized)</td>
<td>Decentralized (directors and managers responsibility)</td>
</tr>
<tr>
<td>Procurement Annual Spend</td>
<td>$49.3 Million</td>
<td>$6.2 Million (Does not include contracts below the procurement threshold)</td>
<td>$20 Million</td>
<td></td>
<td>Not a number that is usually tracked properly. Smaller Procurement are typically untracked. Difficult to identify operational vs capital procurements</td>
</tr>
<tr>
<td>Procurement Dedicated Positions</td>
<td>N/A</td>
<td>N/A</td>
<td>Procurement Specialist Procurement Administration</td>
<td>Capital Projects Procurement Specialist Manager Procurement Services Procurement Assistant</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Procurement is often a blend where dedicated personnel only conducts procurement for larger or complicated goods and services.
<table>
<thead>
<tr>
<th>Authority</th>
<th>Sturgeon County</th>
<th>Municipality A</th>
<th>Municipality B</th>
<th>Municipality C</th>
<th>Municipality D</th>
<th>Key Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager has authority up to $50k, GM up to $100k - $500k (depending on procurement category) and CAO has authority for all amounts greater than GM authorities.</td>
<td>Authority delegation: City Council &gt; City Manager &gt; Department Directors &gt; Appropriate Personnel</td>
<td>$7K - $50K: Manager</td>
<td>$50K - $75K: Director</td>
<td>$75K - $200K: CAO</td>
<td>$200K: CAO and Reeve</td>
<td>Procurement Specialist</td>
</tr>
<tr>
<td>Key Drivers of Vendor Selection</td>
<td>Number one selection criteria is price. The cheapest option is</td>
<td>Best Value for Goods and Services</td>
<td>Best Value for Goods and Services</td>
<td>Best value for goods and services</td>
<td>Best value for goods and services</td>
<td>Authority typically stems from the CAO / city manager / county manager and then delegated to department heads. CAO is responsible for expenses &gt;$75K</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Local Vendor</td>
<td>Transparency and Integrity</td>
<td>Consistent, fair, open, and transparent</td>
<td>Fair and ethical procurement</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ethical Practice</td>
<td>Follows Legislation</td>
<td>Streamline processes and reduce vendors</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Best value is the main driver for all procurement services</td>
<td>Ethical, transparent, etc. Are all typically very important</td>
<td>Municipality A focuses on local vendor to help economy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sturgeon County</td>
<td>Municipality A</td>
<td>Municipality B</td>
<td>Municipality C</td>
<td>Municipality D</td>
<td>Key Observations</td>
<td></td>
</tr>
<tr>
<td>-----------------</td>
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<td>----------------</td>
<td>----------------</td>
<td>----------------</td>
<td>------------------</td>
<td></td>
</tr>
<tr>
<td>almost always selected</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Municipality C is trying to reduce the number of vendors to help with administration</td>
<td></td>
</tr>
</tbody>
</table>

**KPIs**

<table>
<thead>
<tr>
<th>Municipality A</th>
<th>Municipality B</th>
<th>Municipality C</th>
<th>Municipality D</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>None</td>
<td>Number of Formal (RFx) Processes conducted</td>
<td>None</td>
</tr>
</tbody>
</table>

Other comparable municipalities have a centralized model for procurement management and have various staffing models to execute against their respective mandates. Based on the data provided by the other municipalities, centralized models are employed even where there is a lower overall procurement spend than Sturgeon County.
Overall, MNP's observation is that the basics of planning and design as well as sourcing activities are being conducted at a departmental level to procure goods and services. The degree of policy/procedure compliance is in question as is the level of completeness and utility of the current suite of policies and procedures. In both cases, further investigation would be required to conclusively state one way or the other.
Contract Management

CURRENT STATE

Contract Management begins with a set of “manage and pay” functions that are initiated once a procurement process has identified the selected supplier of a good or service that will require a contract. As illustrated in Figure 28 to the right, it begins with “request” a contract and flows through to “execute” the terms of the contract. A large majority of organizations typically and incorrectly view the ‘manage and pay’ portion of the lifecycle illustrated in Figure 28 as the entire contract lifecycle. The Enterprise KM (knowledge management) is integrally important to operating an efficient and effective corporate contract management program. Monitoring, evaluating, renewing / exiting phases of the lifecycle is where compliance with contract terms and actual versus planned performance is measured. The current state of contract management in Sturgeon County is further described below.

Contract management is a responsibility and function currently performed in each Sturgeon County service area as required. For the most part it appears to be functions performed by supervisors / managers (with assistance from other staff in their service areas at times) and responsible parties are expected to have the expertise and capabilities to perform the contract management activities that are necessary to deliver against their service delivery objectives.

Sturgeon County has established policies and procedures in place to direct and guide contract management activities. The degree of completeness and risk management controls inherent in the policies and procedures was not assessed by MNP.
With no definite recognized centralized resource on contract management policies, procedures and tools, staff in individual service areas rely on a variety of strategies to conduct their procurement activities. Through engagement with County staff, it was noted that while corporate finance works with service areas at times to outline policy / process requirements related to contract management – on an advisory basis. Corporate finance is not the compliance authority. When instances such as contract change orders affect budget / spending allocations, the prescribed process is for the contract manager to notify finance promptly. Anecdotally it appears that this is not often the case unless a strong working relationship exists between finance and the contract manager whereby the notification can be “pulled” by finance versus “pushed” by the responsible contract manager. MNP’s observation is that this has more to do with the fact that this is a decentralized and mainly non-standardized approach to contract management and lack of full awareness and understanding of County Policies and Procedures related to contract management.

**SURVEY FINDINGS**

In contrast to procurement, survey results indicate that 69% of managers indicated they never spend time on contract management. Effective contract management balances the timely execution of agreed upon services / delivery of goods with the management of both financial and performance risk exposure for the organization. Of the 49% that indicated that they have spent time on contract management, the respondents ranked their confidence level in **effectively doing** soon in the figure below. The average confidence rating was 2.27 on a scale of 0-4, where 0 indicated no confidence and 4 indicated high confidence.

**Figure 29: Employee confidence ranking – Contract Management**

42% of respondents who said they have done contract management ranked their confidence between 0 – 2 (low confidence level)

Unlike procurement, those employees who reported working on contract management frequently (daily or weekly), were less dispersed throughout the organization.

---

**Departments that identified spending time on procurement Weekly:**
- Transportation Services
- Utility Services
- Engineering Services
- Economic Development

**Departments that identified spending time on procurement Daily:**
- Transportation Services
- Transportation Services
- Agriculture Services
Similar to procurement, contract management work is taking up a large amount of employee time with 15 respondents reporting that they spend time weekly or daily managing contracts.

As Figure 30 breaks down, the time that survey respondents spent on contract management equates to somewhere between 5.6 and 10.1 FTEs. Once again, this a conservative calculation, those respondents who reported spending over 6 hours a day or week were calculated at 6 hours.

**Figure 30: Contract Management Policies and Guidelines**

---

<table>
<thead>
<tr>
<th>Number of FTEs</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum</td>
<td>7.5</td>
<td>15</td>
<td>22.5</td>
<td>30</td>
<td>37.5</td>
</tr>
<tr>
<td>Maximum</td>
<td>9</td>
<td>18</td>
<td>27</td>
<td>36</td>
<td>45</td>
</tr>
</tbody>
</table>

When survey respondents were asked if there were well understood polices or guidelines in place for contract management, 37% said there are clear policies and guidelines that are referenced (see Figure 31). Furthermore, 20% of respondents indicated that policies and guidelines are not always followed. This would indicate that there is a need to review policies and procedures for completeness, relevance and controls as well as increase compliance rates with suitable policies and controls.
**Figure 31: Contract Management Policies and Guidelines**

<table>
<thead>
<tr>
<th>Are there well understood policies or guidelines for contract management within your department?</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, a clear policy and guidelines exist and are referenced by managers/employees involved in contract management.</td>
<td>37%</td>
</tr>
<tr>
<td>Policies and/or guidelines exist but are not always followed</td>
<td>20%</td>
</tr>
<tr>
<td>Policies and/or guidelines exist but are not always useful (i.e., don't work for all scenarios/outdated)</td>
<td>29%</td>
</tr>
<tr>
<td>I am not aware of any applicable policies or guidelines that should be referenced/followed</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>8%</td>
</tr>
</tbody>
</table>

**Framework Assessment**

Contract Management seems to be restricted to only 3% of the full cycle and no enterprise view on contracts (enterprise view on monitoring to exit functions in Figure 32). Sturgeon County has a general procurement and contracting policy and a number of reference documents (FAQs, Templates, Guidance) that could be accessed as

**Figure 32: Contract Management**

- **Contract Management**
  - Closeout contract. Contractual documents are filed and saved for future reference, lessons learned/evaluation findings filed for reference in future applicable procurement initiatives.
  - Once the contract reaches its end date, it must be renewed to stay in active status. If the contract is not renewed on time, it could cause financial risk for the parties involved in the contract (time/scope/resources not agreed upon for good/service provision beyond end date of contract). Notify appropriate parties of renewal (i.e., Finance Officer).
  - Performance is measured and evaluated against the terms of the contract and ease of execution. Evaluation findings recorded in database.
  - Contract document is signed and stored in an easy to retrieve agreement database so performance and terms can be monitored.
  - Initiates the contracting process and subsequently uses that information for drafting or authoring the contract document.
  - Contract Approvers and Signing parties come to an agreement and signing details are captured in the contract document.
  - Agreement document prepared in previous step is submitted to internal or external approvers.
  - Contract document which is approved is sent to respective parties for signature.
  - Terms of the contract document are acted on.

**Enterprise KM**

**Manage & Pay**
required if an individual contract manager is aware that said documents exist. There is room for improvement on policies, procedure standardization and controls to better support contract management in Sturgeon County.

CURRENT STATE ANALYSIS

People

- There is a large amount of time being spent on contract management – 15 respondents reported they frequently (daily or weekly) spend time on this function, the total hours equates to between 5.6 to 10.1 FTEs.
- A large proportion of people conducting contract management activities have low confidence in how they are performing the function.
- Decentralized – contracts managed in specific service areas.
- Tools, processes and enterprise view integration.

Process

- As procurement process evolves, and becomes more centralized, improved and more integrated contract management will be possible.
- End processes of contract management can then take place more consistently including evaluation, review and close out.
- Appears to be a lack of understanding of corporate policies / procedures because 42% of respondents ranked their confidence in performing proper contract management between 0 – 2 (low confidence level).

Tech

- There does not appear to be an enterprise level (whole of organization) database or tool to monitor and manage the contract lifecycle.

Strategy

- Contract management lifecycle flows from the execution of the procurement lifecycle. The outputs of an effective contract management lifecycle management regime (evaluation findings and lessons learned) are key inputs in the market assessment and market approach phases of procurement management. Procurement management improvements will require contract management lifecycle management improvements at the corporate level – illustrating the interdependency of the two lifecycles.
Municipal Comparators

MNP conducted some detailed jurisdictional review research by requesting information from comparable municipalities. A summary of findings is presented below.

<table>
<thead>
<tr>
<th>Municipal Comparison – Contract Management (CM)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FTE</strong></td>
</tr>
<tr>
<td><strong>Sturgeon County</strong></td>
</tr>
<tr>
<td>15 FTEs spending time weekly (9) or daily (7).</td>
</tr>
<tr>
<td><strong>Key Observations</strong></td>
</tr>
<tr>
<td>N/A</td>
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</tbody>
</table>

| **Role Responsible**                        |
| **Responsibility**                          |
| Responsibility of project Managers, Directors, Legislative Services and Finance | Legislative Services Manager, Procurement Specialist | Responsibility of Department Manager with support from Project Controller | Responsibility of Department Directors and Managers. External Legal support when needed. | Common practice is to have Manager and Director level responsible for CM. |

| **Departments with Key role**               |
| **Legislative Services**                    |
| Decentralized                               |
| N/A                                         |

| **Structure**                               |
| Decentralized                               |
| Decentralized                               |
| N/A                                         |
The municipal comparison of contract management practices did not generate many strong insights. The selected municipalities all have a decentralized model like Sturgeon County. This does not mean that it is "leading practice". Rather it demonstrates only what many are doing. Leading practice is outlined in the lifecycle management description we have outlined in this report. Additionally, contract management has significant interdependency with procurement management as described in the procurement section of this report.

Recomendations

Build an Enterprise View of Procurement

Corporate Finance has object code and expenditure data that can be leveraged to build an enterprise view of procurement activities conducted by the County. This will include building a procurement calendar, vendor list, spend categories, P-card use and terms, catalogue of RFX instruments, and supplier performance.

Conduct Stakeholder Engagement

Stakeholder engagement: collect good practices, identify pain points, gather "long list" of business needs related to timeliness, value for money, planned versus unplanned, etc.

Build an Enterprise View of Contract Management

Build an enterprise view of all current contracts including collecting and cataloguing information on current suppliers, start / end dates, terms of contract, County terms versus supplier terms, contract performance evaluation (by supplier and by contract thereof), catalogue of County contract templates by type and purpose.
Conduct In-Depth Policy and Procedure review and update

Conduct in-depth policy and procedure review (up to date, degree of process definition and controls, benchmark to muni leading practices) and ensure that policy and procedures are fit to purpose of the decided upon business model.

Conduct Process Mapping and Build RACI

Map end to end procurement process with swim lanes for all concerned stakeholders.

Based on process map and corporate policy, build a RACI (Responsible, Accountable, Consulted, Informed) matrix to increase clarity on the roles and responsibilities of staff and stakeholders in the procurement and contract management process.

Conduct an RFI for Enterprise Level P & CM Software Solutions

Conduct an RFI for enterprise level procurement and contract management software solutions (this is not procuring it, this is a structured form of market information gathering... a "what's out there" approach).

Develop Savings Generation Strategy

Based on analysis arising from enterprise view of procurement and contract management, develop savings generation strategy.

Review Intermunicipal Collaboration Strategy

Review intermunicipal collaboration strategy as it pertains to procurement. Possibilities for Sturgeon County could range from ad hoc collaboration on procurement where there is interest and defined benefit through to developing a centre of excellence that delivers procurement services for two or more participating municipalities.

The centre of excellence could be operated by one of the municipalities (i.e. by Sturgeon County) or it could even be a Part 9 corporation wholly owned by the partnering municipalities. Many choices exist ranging from "do nothing" through to possibilities mentioned above. It is anticipated that these discussions will emerge in the midst of legislated Intermunicipal Collaboration Framework (ICF) interactions with other bordering municipalities.
A spectrum of potential municipal collaboration arrangements from least integrated through to most integrated is presented in Figure 33 below to illustrate the extremes of independent service delivery (do nothing different) through to the other extreme of municipal amalgamation. The spectrum is a useful tool for thinking through intermunicipal collaboration opportunities on procurement and any other services contemplated in ICFs.

**Figure 33: Municipal Service Delivery Collaboration Spectrum**

**Status Quo:** Each municipality delivers discreet services to their citizens. There is a recognition and acceptance of eroding boundaries, as citizens demand service regardless of where they live. In Sturgeon County's case, retaining the status quo won't create any benefit or improvement for any stakeholders.

**Municipal Centres of Excellence:** Each municipality takes on a specific service and develops shared service agreements with other municipalities to operate and manage the service. For example, one municipality might take on local road maintenance while another municipality takes on solid waste management.

**Single Municipal Shared Service Provider:** One municipality takes on the delivery of all proposed shared services and develops shared service agreements with other municipalities. This leaves the municipalities to focus on their “core business.” One model for this is one municipality takes on all the Corporate Shared Services such as Human Resources, Materials Management and IT, and leaves the delivery of “on-the-ground” services with the individual municipality.

**Single Function Municipally-Owned Corporate Service Entities:** One or many service entities are created by the municipalities (potentially as “Part 9 corporations”) with Boards guiding each entity and comprised of members from each municipality. Each entity would focus on specific services and contract directly with each municipality. Several jurisdictions have done this in the waste and utility services, for example, Beaver County (EPCOR is doing something similar as well).

**Full Function Municipally-Owned Shared Service Entity:** A single regional entity (municipally-owned corporation) operates with a mandate to provide all the shared services envisioned by the municipal owners. A Board comprised of council members or delegates from each partner municipality, provides guidance to the corporation. Service contracts are established with each municipality according to their needs.
Amalgamated Municipality: In some jurisdictions, for example, Crows Nest Pass, Regional Municipality of Wood Buffalo, and Flagstaff County, it has made sense to pursue joining into a single municipal organization and provide services across the region in a unified manner through traditional municipal structures and organizations. In Sturgeon County's case, this is a highly unlikely option and it is presented in a continuum only to demonstrate what falls at the far right end of the continuum.

Create Business Case Requirements for Potential IT Solution

Based on results of RFI, determine if there is sufficient business need to develop a business case for a suitable IT solution to support the enterprise level management of procurement and contract management.

Implement Approved Intermunicipal Collaboration Approaches

Collaboration to generate additional savings. Aggregating and coordinating the buying power of the County will lead to the ability to generate savings. Collaborating with other buyers (municipalities) to increase buying power even more will lead to additional savings potential. Based on approved intermunicipal collaboration approaches (ad hoc cooperation through to more formal / permanent structures), implement the approaches and monitor savings generated.
High Level Implementation – Procurement and Contract Management

<table>
<thead>
<tr>
<th>People</th>
<th>Process</th>
<th>Technology</th>
<th>Strategy</th>
</tr>
</thead>
<tbody>
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<td></td>
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<tr>
<td></td>
<td></td>
<td>Conduct an RFI for enterprise level procurement and contract management software solutions</td>
<td></td>
</tr>
</tbody>
</table>
|        | Conduct stakeholder engagement  
SLT to re-evaluated procurement policy and procedure directives | Create business case requirements for potential IT solution from short term process work | Review Intermunicipal Collaboration Strategy  
Build an enterprise view of contract management  
Build an enterprise view of contract management  
Explore 4d and Intermunicipal Procurement opportunities (trial)  
SLT to re-evaluate mandate and guiding principles of procurement function | Conduct research and analysis to build business case for P & CM structure/approach  
Explore Intermunicipal collaboration possibilities  
Implement approved Intermunicipal collaboration approaches  
Realign Transformation Plan | Implement approved Intermunicipal collaboration approaches |
Potential Funding Implications

The recommendations above have both savings and investment implications.

**INVESTMENTS:**
- 24(1)

- Future IT solution may have an investment requirement. This is a medium-term item and would be part of the regular budgeting cycles.

**SAVINGS:**
- By moving in to a more sophisticated model, Sturgeon County can expect to save from 3% to 6% of influenceable spend – which equates to $1M - $2M in sustainable savings.

Engineering Services

During the Phase 1 Review, Engineering Services was identified as highly important to citizens, a key role player in delivering on the County’s strategic plan, and a department that may face opportunities to improve its service delivery to other departments. While citizens have expressed satisfaction with Engineering Services’ offerings, there was a desire among some within the County to review the department’s positioning within its organizational structure and assess whether service delivery could be improved by adjusting the current structure.

The focus of the dedicated Phase 2 review of Engineering Services, as validated with County administration at the end of Phase 1, was on assessing its current levels of effectiveness and efficiency to determine how the engineering function should be structured within Sturgeon County and where in the organization Engineering Services should be aligned:

- How should the engineering function be structured within Sturgeon County?
  - Centralized (i.e. Engineering Services as its own department – the current state)
  - De-centralized (i.e. Engineering Services functions are embedded throughout other departments)
  - Hybrid (i.e. re-allocate one or more Engineering Services positions or functional areas elsewhere in the County Organization)

- If centralized (or hybrid), where in the organization should Engineering Services be aligned?
  - Should Engineering Services remain in its current location within the Integrated Growth division, or should it exist elsewhere, such as in Municipal Services?

MNP approached these questions by using a combination of interviews, surveys, integration matrices, and cross-jurisdictional municipal comparisons.
Current state

MANDATE AND OVERVIEW

Engineering Services’ stated mandate is as follows:

*Engineering Services provides engineering related services to all departments within Sturgeon County that support proactive infrastructure planning for timely development opportunities.*

The department is organized into three service areas: Land Development, Municipal Operations Support, and Capital Planning & Construction. Each of these areas currently delivers a defined set of engineering-related services to departments County-wide. For a snapshot of Engineering Services’ current structure and functions, please refer to Figure 34.

FIGURE 34: ENGINEERING SERVICES CURRENT STRUCTURE AND FUNCTIONS

SURVEY FINDINGS

One data source for evaluating the Engineering Services department’s organizational structure and position within the County was the Sturgeon County Survey. Through the Survey, MNP collected employees’ perspectives on Engineering Services’ levels of and effectiveness and efficiency by asking them about their frequency of integration with Engineering Services as a “client,” and their satisfaction with Engineering Services’ service quality (i.e. effectiveness) and responsiveness (i.e. efficiency). The survey asked for these perspectives on each of the department’s functional areas: Land Development, Municipal Operations Support, and Capital Planning & Construction. While Engineering Services does work in a public facing role from time to time (interaction with developers and public on development design, approval, construction etc.), the focus of this review was internal service provision as that is what the department spends most of its time on.
A high-level summary of the survey results is as follows:

- In general, departments are satisfied with Engineering Services’ effectiveness – 91% of respondents were either “mostly satisfied” or “very satisfied” with service quality across all Engineering Services functional areas.
- In general, departments are satisfied with Engineering Services’ efficiency – 84% of respondents were either “mostly satisfied” or “very satisfied” with service responsiveness across all Engineering Services functional areas.
- “Pockets” of dissatisfaction with Engineering Services’ responsiveness existed at the time of the survey:
  - 17(1)
  -  
  -  

- Procurement activities take up a significant portion of Engineering Services’ staff time, and this exposes the County to some risk and causes discomfort among staff. Six out of thirteen Engineering respondents conduct procurement on at least a weekly basis, and six reported “risk management to mitigate issues and exposure” as the number one or number two challenge they face in procurement.

Survey respondents indicated that one of their key strategies when conducting procurement activities was to engage with peers from other departments. While engaging with Engineering Services, MNP noted that staff tend to regularly field calls from colleagues seeking advice on procurement processes. It can then be concluded that Engineering Services has become seen as one of the procurement experts for the County despite a lack of trained procurement specialists. Notably, this is not a role that Engineering Services staff are comfortable with. No significant trends of dissatisfaction with Engineering Services’ efficiency and effectiveness emerged from the survey results. This serves as evidence that the current structure appears to be meeting the needs of Engineering Services’ clients across the County overall and that significant change to the structure may be unwarranted.

17(1)

**DEPENDENCY AND INTEGRATION MATRICES**

The degree to which a system is comprised of integrated, dependent pieces versus autonomous actors can provide clues as to how well it is currently operating, the level of complexity involved in delivering system outputs, and the ease (or difficulty) with which the system may be altered. With that in mind, another input into our assessment of Engineering Services’ structure and location within Sturgeon County was a pair of matrices: a Role Dependency
Matrix and a Sturgeon County Integration Matrix. The purpose of these matrices was to develop an understanding of how the Engineering Service department operates internally, how it collaborates with other departments, and what risks or unintended consequences may be associated with making changes to the department’s current configuration.

ENGINEERING SERVICES ROLE DEPENDENCY MATRIX

The Engineering Services Role Dependency Matrix was used to understand how reliant the roles within the department are on each other. A high level of reliance or dependency would show that the department is collaborative and, if it is delivering high-quality and responsive service (which the survey results support), may indicate that “the whole is greater than the sum of its parts.”

To populate this matrix, MNP asked Engineering Services to report the level of dependency between each role within the department. Dependency could include actively working together, collaborating and sharing information, providing support, sharing duties, mentoring, and covering absences.

The results of the Role Dependency Matrix are shown in Figure 35 on the following page.
The results of this matrix indicate that the Engineering Services department is highly integrated – the department’s functional areas and individual roles are highly dependent on each other.

- Within each Engineering Services area, every role has “high” interdependency with every other role. Teams within any given area appear to work closely together – this is a positive sign and perhaps not surprising.
• There is at least a "medium" level of dependency between practically every role and every other role in the separate functional areas across Engineering Services. The only "low" dependencies are between Municipal Operations Support's Infrastructure Engineering Officer and both between Industrial Development Services' Senior Industrial Engineering Officer and Capital Planning & Construction's Utility Capital Projects Officer. This is further evidence that significant integration and dependency exists among all of Engineering Services.

• Every Engineering Services area has at least one "high" role dependency with at least one role in every other Engineering Services area. This implies that if any one entire area were to be moved out of Engineering Services, there may be a significant upheaval and impact on each of the other two areas within the department.

An important, but perhaps less obvious advantage Engineering Services has in its centralized model is that grouping engineers together facilitates their mentorship and development within the County. The County's senior engineers work with its junior engineers, even when they are organized into different functional areas within the department.

In addition to developing staff from "within," it would intuitively hold that this centralized organizational model and the professional growth opportunities it facilitates likely help the County attract new engineers and retain its existing engineers. Note that MNP did not ask this in our survey, and it could be beneficial to validate the statement with Engineering Services staff as an organizational sustainability strategy.
The Engineering Services Sturgeon County Integration Matrix was used to understand how integrated the roles within the department are with each other and how the roles within the department are serving the County. A high level of integration would show that individual engineering roles are currently supporting the broad variety of clients across the County, whereas a lower level of integration would indicate that some roles or functional areas are more specialized in their service delivery and cater to a narrower range of clients.

To populate this matrix, MNP asked Engineering Services to report the level of integration between each role within the department and each County’s other departments. A high level of integration would show that individual engineering roles are currently serving the broad variety of clients across the County, whereas a low level of integration would indicate that some roles or functional areas are more specialized in their service delivery and cater to a narrower range of clients.

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The results of this matrix indicate that the Engineering Services department is highly integrated with other departments across the County. Although MNP did not conduct an in-depth analysis of how other departments perceive their integration with Engineering Services 'outside in' view versus the 'inside out' view presented in the table above, survey responses indicated that of the 50% of respondents that regularly engage with Engineering Services, the general distribution of engagement across the four engineering service areas aligns well the Sturgeon County engagement matrix presented above.

- Each individual staff member in Engineering Services collaborates with departments across the County. Every Engineering Services role (individual) integrates “occasionally” or “frequently” with at least eight other departments in total, including at least two other departments in each of the three Sturgeon County divisions (Integrated Growth, Municipal Services, Corporate Support).

- Every Engineering Services functional area (Land Development, Capital Planning & Construction, and Municipal Operations Support) collaborates with departments across the County. Each functional area includes at least one staff member that integrates “frequently” with departments in all three County divisions.

- Likewise, departments across the County depend on a broad suite of Engineering Services support. Thirteen of seventeen County departments integrate “frequently” with at least one individual from Engineering Services. Nine of seventeen departments integrate “frequently” with at least four individuals from Engineering Services. Seven County departments integrate “frequently” with at least one individual from each Engineering Services functional area.

- Among County departments, several departments are particularly dependent on Engineering Services. Transportation Services, Utility Services, and Planning and Development integrate “occasionally” or “frequently” with every Engineering Services staff member. Transportation integrates “frequently” with eleven of thirteen Engineering Services staff members, Utilities integrates “frequently” with nine staff members, and Planning and Development integrates “frequently” with seven people within Engineering Services.
CURRENT STATE ANALYSIS

Through employee interviews, the Sturgeon County Survey, and development of the Role Dependency and Integration Matrices, some key elements of the Engineering Services department's current state have emerged, as captured in the diagram below.

**People**
- Engineering Services has a cohesive and collaborative team.
- Its centralized structure facilitates lean service delivery, cross-training, professional development, recruitment, retention, and succession planning.
- Engineering Services is highly integrated with the County; all Engineering Services staff members work with multiple divisions/departments.

**Process**
- Physical proximity to other co-dependent departments and differences in work cultures and timing may pose barriers at times.
  - E.g. Transportation Services and Engineering Services are highly integrated but have different work cultures. Transportation Services may operate in the range of 7 days per week / 10 hours per day with a culture of reacting quickly to customer needs; whereas Engineering Services may operate in the range of 5 days per week / 8 hours per day with a culture that is more focused on planning ahead for the long term.
- The department has taken steps to overcome real and perceived communication and process barriers between Engineering Services and other departments.
- The department does not have approved, detailed service level agreements (SLAs) in place with other County departments.
  - A draft Service Agreement exists between the Engineering Services' Municipal Operations Support Branch and the Municipal Services Division. The draft Service Agreement lists and briefly describes the services that Municipal Operations Support provides to the Municipal Services Division; however, it does not define service levels, like agreed-upon response and delivery times for specific services.
  - Engineering Services devotes a significant time to procurement activities, although the department does not have trained procurement specialists within.

**Strategy**
- Engineering Services is oriented to serving the entire County – it frequently supports departments requiring engineering-related services in all three divisions. This approach is codified in the official department mandate, and the department culture appears to support this.
- Its current alignment within the Integrated Growth division positions Engineering Services to maintain a more strategic focus for the County and to work closely with other strategy-focused departments, such as Economic Development and Community and Regional Planning.
Municipal Comparators

Another input into MNP’s assessment of Engineering Services current levels of effectiveness and efficiency was the results of the Municipal Workbook. While each municipality has its own unique set of characteristics—population served, ecology, industry, tax base, budget, Council objectives, and corporation size, to name a few—responses to the workbook provided some insight into how Sturgeon compares to its peers.

The following table summarizes the results of the Municipal Comparison between Sturgeon County’s Engineering Services department and the equivalent organization and functions of its peers in other municipalities.

<table>
<thead>
<tr>
<th>Municipal Comparison – Engineering Services</th>
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<tbody>
<tr>
<td>Sturgeon County</td>
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<tr>
<td>------------------</td>
</tr>
<tr>
<td><strong>Organizational Structure</strong></td>
</tr>
<tr>
<td>Centralized</td>
</tr>
<tr>
<td>Eng. Services is under Integrated Growth division</td>
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<tr>
<td>With CARP, Economic Development, Intergovernmental Affairs, Planning &amp; Dev.</td>
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<td></td>
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<tr>
<td>Service Outputs and KPI's per Year</td>
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<table>
<thead>
<tr>
<th>FTE's</th>
<th>Sturgeon County</th>
<th>Municipality A</th>
<th>Municipality B</th>
<th>Municipality C</th>
<th>Municipality D</th>
<th>Key Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.35 FTEs + 1 Manager</td>
<td>6 FTEs + 1 Director, Fleet, Facilities &amp; Engineering</td>
<td>3 FTEs + 1 Construction Manager</td>
<td>25+ FTEs in Engineering (Includes Drainage, Utilities, equipment operators under Capital Construction)</td>
<td>6 FTEs + 1 Manager</td>
<td>Total Engineering FTEs ranges from 4 to over 30, depending on municipality. Sturgeon has an average number of Engineering FTEs among its peers.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Many engineering services are contracted</td>
<td>3 FTEs in Planning &amp; Development (Land Development Engineering)</td>
<td></td>
<td>Number of FTEs appears to vary largely based on reliance on contractors (e.g., Municipality B) and scope of engineering services (e.g., Municipality C).</td>
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</tbody>
</table>
The municipalities we compared consistently organize their Engineering Services functions centrally – that is, each municipality groups its engineers (organizationally) in a single department or business unit.

There is less consistency among these municipalities at the higher organizational level – that is, which other departments are grouped with Engineering Services at the Division level (or equivalent). Depending on the municipality, Engineering Services can be grouped with Economic Development, Planning and Development, Utility Services, Operations, and Fleet Services. This selection of departments is akin to a combination of Sturgeon County’s Integrated Growth and Municipal Services division components.

Some municipalities also have Public Works department or division. For these municipalities, Engineering Services is organized either at the same level as Public Works within a broader organizational unit (i.e. they both report to a common Director / Division), or underneath Public Works (i.e. Engineering Services reports to Public Works).

There is much variety among municipal comparators with respect to the both number of Engineering FTEs and the service types (and volumes) the Engineering department produces. As such, it is not possible to compare Sturgeon County Engineering Services efficiency and effectiveness based on the Municipal Comparator results alone – rather, this type of assessment would need to rely on internal reports (such as interviews and survey results) at this time.

Recommendations

24(1)
Refine and develop service level agreements (SLAs)

In the short and medium term, we also recommend that Engineering Services continue building on its existing Service Agreement with Transportation. Comprehensive Service Level Agreements (SLAs) allow municipalities to define shared expectations between work areas around service quality and responsiveness. As performance
against SLAs is tracked and monitored, problem areas can be identified, addressed, and improved upon. Building on the existing Service Agreement may comprise of the following steps:

- Work with Transportation to define service levels (response and delivery times, quality standards) for each type of service in the current Service Agreement (where appropriate);
- Expand Service Agreement to other services Engineering Services delivers to Transportation (beyond Municipal Operations); and,
- Develop similar SLAs with other key partner departments, such as Current Planning and Development and Utilities.

Because it manages the highest volume and dollar value of procurement, Engineering Services has become the de facto procurement expert for the County. However, the department does not have formal training and expertise in this area. As such, this exposes the County to risk, and this causes some concern among Engineering Services personnel.

As the County continues to refine its approach to procurement overall, it should review Engineering Services role as it relates to procurement. If the County retains trained procurement expertise going forward, it should transfer some of the procurement burden away from Engineering Services. This will reduce the County’s risk exposure and increase Engineering Services staff’s availability to deliver client service to the County’s other departments.

For further detail on this recommendation, please refer to the Procurement and Contract Management section of this report.
### High Level Implementation – Engineering Services

<table>
<thead>
<tr>
<th>People</th>
<th>Short Term (&lt; 1 Year)</th>
<th>Medium Term (1 - 3 Years)</th>
<th>Long Term (3+ Years)</th>
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<tr>
<td></td>
<td>24(1)</td>
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<thead>
<tr>
<th>Process</th>
<th>Short Term (&lt; 1 Year)</th>
<th>Medium Term (1 - 3 Years)</th>
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<tr>
<td></td>
<td>17(1)</td>
<td>24(1)</td>
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<tr>
<td></td>
<td></td>
<td>Refine and develop SLAs</td>
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<table>
<thead>
<tr>
<th>Technology</th>
<th>Short Term (&lt; 1 Year)</th>
<th>Medium Term (1 - 3 Years)</th>
<th>Long Term (3+ Years)</th>
</tr>
</thead>
<tbody>
<tr>
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</table>

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Short Term (&lt; 1 Year)</th>
<th>Medium Term (1 - 3 Years)</th>
<th>Long Term (3+ Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24(1)</td>
<td>24(1)</td>
<td>24(1)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Redefine ES role in procurement</td>
<td></td>
</tr>
</tbody>
</table>

*In the course of this review, no significant Engineering Services Technology issues emerged.*
Potential Funding Implications

None of the Engineering Services recommendations have significant funding implications — it is likely that most could be managed internally.

24(1)

Information Services

During the Phase 1 Review, Information Services was identified as an area that performs key support functions for other departments, both tactically and strategically, and would be worth exploring for opportunities to improve its service delivery.

The focus of the Phase 2 more detailed review of Information Services was on assessing current levels of effectiveness and efficiency in providing both tactical and strategic support for the rest of the organization:

- Tactical and Core Services: how effectively and efficiently is Information Services delivering its core Information Technology services to other departments?
- Strategic Support and Significant Technology Projects: how effectively is Information Services supporting the County through significant technology projects? Consider mutual expectations around communication and decision-making, project intake and prioritization procedures, project delivery, and barriers to doing this successfully.

MNP approached these questions by using a combination of interviews, surveys, and cross-jurisdictional municipal comparisons.

Current state

**Mandate and Overview**

Information Services’ stated mandate is as follows:

> The Information Services Department supports the effective and efficient delivery of services to both internal and external stakeholders through the leadership, management and provision of Technology, Geographic Systems, Records and Corporate Information.

At the outset of this engagement, the department was organized into three programs: Information Technology, Geographic Information System (GIS), and Information Management. Note that during this project, the Information Management function of Information Services was realigned within the County under Legislative Services. Each of these areas currently delivers a defined set of technology-related services to departments County-wide. For a snapshot of Information Services’ current structure and functions, please refer to Figure 37 on the following page.
The Information Services department has 8 FTEs reporting to the Manager, Information Services. These FTEs fall into 2 service areas: Information Technology and GIS Services.

- Until recently, Information had a third service area – Records Management. This area has since moved to Legislative Services
- No clearly-defined roles for business analysis, requirements gathering, IT project management
- In addition to department management and strategic function (e.g. governance and liaising with other departments), IS Manager appears to fill “business analyst” role as well

**Information Technology**
- 5 FTEs responsible for day-to-day core infrastructure, systems administration, network maintenance, troubleshooting, etc.
- Have been “pulled in” to IT project execution

**GIS Services**
- 2 FTEs for internal mapping and corporate data sets, census info, drainage maps / culvert locations, data analytics

**“Other” functions**
- IT strategy and leadership
- Liaising with other departments
- IS project management
- Business analysis / requirements gathering
- Data governance and management
SURVEY FINDINGS

One data source for evaluating the Information Services department's service delivery levels at both the tactical and strategic level was the Sturgeon County Survey. Through the Survey, we asked employees from across the County about their satisfaction with Information Services' core (tactical) service delivery, both in service quality and responsiveness. We also asked employees who had been involved in a significant Technology project (such as hardware or software procurement and implementation) about how those projects had been identified; whether (and when) they had engaged Information Services for the project; and the degree to which Information Services met their needs.

A high-level summary of the survey results is as follows:

In general, employees are satisfied with Information Services service levels for tactical/core services.

- 93% of all respondents were “mostly satisfied” or “very satisfied” with service quality across all core services.
- 91% of all respondents were “mostly satisfied” or “very satisfied” with Information Services’ responsiveness across core services.

In general, departments are moderately satisfied with Information Services at the strategic level, such as for significant projects, IT procurement, and requests for hardware or software. When asked whether Information Services met their needs for these projects with respect to approvals, responsiveness, and service quality, respondents reported the following results.

- 54% of respondents stated that Information Services “fully” met their needs.
- 38% of respondents stated that Information Services “partially” met their needs.
- 8% of respondents stated that Information Services “did not meet” their needs.

When asked at what point those who had identified a significant project or IT opportunity engaged Information Services regarding the opportunity, 89% of respondents reported having engaged Information Services “early” or “at the beginning” of the process.

- This result is inconsistent with Information Services' reported experience – Information Services reported a high frequency of departments engaging them too late in the process of identifying, defining, and obtaining a technology solution. This would imply that there is a disconnect between Information Services and other departments around expectations for how and when departments should engage Information Services for projects and procurement.
CURRENT STATE ANALYSIS

**Process**

- There is an apparent disconnect between Information Services and other departments around how and when to engage Information Services in the IT procurement processes.
- Sturgeon County’s Corporate Procurement Procedure regarding electronic equipment and software purchases does not appeared to be well known or consistently followed.
  - Procedure 3.4 states "all electronic equipment and software purchases for us in conjunction with the Sturgeon County Network Infrastructure must first be reviewed by Information services staff for compatibility and compliance with Information Technology Standards employed within the county – must first be authorized by the Manager Information Services."
  - However, interview and survey results showed that there have been instances where staff proceeded with software or hardware procurement without Information Services involvement.
- Departments believe they are engaging Information Services early in the process and have expressed some frustration with Information Services’ IT project delivery speed and effectiveness; Information Services has reported that departments often engage Information Services too late in the process.
- This disconnect has led to instances of:
  - Work-arounds (e.g. departments purchasing IT solutions without involving Information Services);
  - Low uptake of IT solutions (e.g. software being implemented and then not used or under-used by the department);
  - Duplication of capabilities (e.g. multiple software programs across the County performing similar functions); and
  - Uncoordinated data architecture (e.g. systems across the County that don’t “talk to each other”).
- Departments are highly satisfied with the tactical support that Information Services provides. One supervisor reported “we take hardware for granted – it just works.”

**People**

- Sturgeon County’s Information Services department has a clear organizational structure for delivering GIS and Information Technology Services to other departments.
- The team is reliably delivering core technology services at a level that satisfies its clients.
- Current personnel gaps include a vacancy at the Manager position and no clearly-defined Business Analyst or Project Manager position.
  - Previously, the Manager role allocated a significant portion of time performing Business Analyst-level duties.
  - This time likely came at the expense of performing more strategy-oriented duties, such as liaising with other departments to establish expectations around IT service levels; defining when and how to engage Information Services for significant Technology projects; and executing critical initiatives described in the IS Strategic Plan, such as establishing a technology project governance committee.
  - A search to fill the Manager, Information Services position is currently underway.
Information Services has a Strategic Plan that was developed by a reputable firm, is relatively current (within the last 1 to 1.5 years) and provides a solid path forward for the department. Its findings and recommendations appear to remain relevant. Many of the Strategic Plan's recommended initiatives are underway, while other recommendations have not yet been implemented as of this report.

One recommendation from the Strategic Plan of particular importance that has not yet been implemented is the establishment of a cross-department Information Services Governance Committee.

Information Services does not appear to have a strong strategic focus that includes regular, effective engagement with other departments at the Manager level to identify IT opportunities proactively and to set and manage expectations.

There is no documentation of a whole-of-organization view of the Information Technology Architecture for Sturgeon County. This has likely contributed to ad hoc and decentralized approaches to systems, hardware and application management.

There is no documentation of an enterprise view of all IT assets and asset condition (version, stage of lifecycle, purchase date / price, replacement cost, etc.). Without an IT asset inventory, it is very difficult to strategically manage maintenance, procurement and decommissioning of IT assets.

Information Services' service request and tracking system works well from a client perspective; however, the system is dated and limits Information Services' ability to manage and triage service requests efficiently.
Municipal Comparators

The organizations from which we received data all had an Information Services function that reported to Corporate Services.

<table>
<thead>
<tr>
<th></th>
<th>Sturgeon County</th>
<th>Municipality A</th>
<th>Municipality B</th>
<th>Municipality C</th>
<th>Municipality D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Structure</td>
<td>Manager, Information Services reports to GM Corporate Support</td>
<td>Director, I.T. reports to Corporate Services</td>
<td>Information Systems Manager reports to Corporate Services</td>
<td>CIO reports to GM Corporate Services</td>
<td>All information services functions report up to Director of Corporate Services</td>
</tr>
<tr>
<td></td>
<td>Functions: Systems Analysis/Admin, Service Desk, Network, GIS</td>
<td>Functions: IT services (network, service desk), Business Solutions (GIS, Database, Integration), Systems Coordination, Project Management</td>
<td>Functions: IT services (network, service desk), Business Solutions (GIS, Database, Integration), Systems Coordination, Project Management</td>
<td>Functions: GIS (6 FTE), IT Services (DB, Network, System Admin - 6 FTE), AX Developer (1 FTE), Business Analyst (1 FTE)</td>
<td>Functions: Manager Information Technology (systems support, help desk), GIS</td>
</tr>
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<td></td>
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</tbody>
</table>

Key Observations:
- Information Services reports to Corporate Services/Support in all cases.
- Department leader ranges from CIO to Director to Manager.
- Functions at each municipality include IT services (core) and GIS.
- No IS depts. have a Records Management function.
- Some have business analyst and/or project management positions (Sturgeon does not).
<table>
<thead>
<tr>
<th>FTEs</th>
<th>Sturgeon County</th>
<th>Municipality A</th>
<th>Municipality B</th>
<th>Municipality C</th>
<th>Municipality D</th>
<th>Key Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9 FTE incl. Manager GIS: 3 IT: 5 No BA, Projects, Business Liaisons</td>
<td>9 FTE incl. Director GIS: 1 Network: 3 Software/Syste m Support: 3 Database: 1</td>
<td>16 FTE incl. Manager GIS: 3 Bus. Solutions: 4 IT Services: 6 Project Management: 1 System Coord.: 1</td>
<td>15 FTE incl. CIO GIS: 6 IT Services: 6 AX Developer: 1 Bus. Analyst: 1</td>
<td>7 FTE GIS: 3 incl. Supervisor IT: 3 incl. Manager IM/IT Business Partner: 1</td>
<td>All Information Services groups provide GIS and IT services. Sturgeon County has an average to below average number of IS FTEs.</td>
</tr>
<tr>
<td>Service Outputs and KPI's</td>
<td>Response time and Resolution time by priority level Cost per incident Staff downtime Number of Incidents</td>
<td>Not provided</td>
<td>Measure order fulfillment cycle time, quality index, staff downtime Results not provided</td>
<td>Internal only / not provided</td>
<td>Currently under development / not provided</td>
<td>Data is insufficient to draw conclusions. Sturgeon County is ahead of at least one peer in that it has developed KPIs.</td>
</tr>
<tr>
<td>Budget</td>
<td>$2.8 million* (pre-realignment of Information Management – current budget is likely lower) $215K/FTE</td>
<td>$2.5 million $278K/FTE</td>
<td>$2.1 million $131K/FTE</td>
<td>Not reported</td>
<td>$600,000 $86K/FTE</td>
<td>Sturgeon County's Information Services budget appears to be in line with its peers overall.</td>
</tr>
<tr>
<td>Service Request &amp; Tracking System</td>
<td>Sturgeon County</td>
<td>Municipality A</td>
<td>Municipality B</td>
<td>Municipality C</td>
<td>Municipality D</td>
<td>Key Observations</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>-----------------</td>
<td>----------------</td>
<td>---------------</td>
<td>---------------</td>
<td>---------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>• Tracking system was installed in 2011</td>
<td>• Public-facing service request system</td>
<td>• BMC Footprints v12</td>
<td>• InvGate</td>
<td>• Manual tracking system</td>
<td>• Sturgeon County’s service request and tracking system is older than those of (some of) its peers.</td>
<td></td>
</tr>
</tbody>
</table>
Based on the Municipal Comparison results, Sturgeon County’s Information Services department performs similar IT and GIS functions to its peers. Of the four comparators, two organizations have a similar number of Information Services staff to Sturgeon, while the other two organizations have 67% and 78% more FTEs, respectively. The differences for these larger Information Services departments appears to be additional roles for business solutions, business analysis, and project management, as well as a larger GIS headcount (in one case). As these are more strategic and project-oriented positions, this would indicate that those larger Information Services departments may have more capacity than Sturgeon to deliver significant technology projects effectively. (It should be noted we were not able to measure the strategic Information Services department outputs at comparable organizations through this exercise, and as such MNP cannot definitively state that this is the case).

The municipal comparators reported a breadth of Information Services budgets, ranging from $86,000 per FTE to $278,000 per FTE. At approximately $215,000 per FTE, Sturgeon County’s Information Services budget is within this range. Comparators did not provide their key performance indicator results – therefore it was not possible to gauge relative efficiency levels. If other municipalities are experiencing similar results as Sturgeon County from their Information Services departments, then that would indicate Sturgeon County is achieving an average level of efficiency.

Recommendations

Use the IS Strategic Plan to guide the department’s path forward

Sturgeon County’s IS Strategic Plan assessed the Information Services department’s current state (as of 2016-2017), proposed a “Future IS Environment”, and recommended a roadmap for achieving that future state. While many of the recommendations proposed in this Plan are on track, several recommendations are off track or have not been initiated at all. In general, the IS context, findings, and recommendations described in the IS Strategic Plan are still relevant. As such, we recommend that Sturgeon County renew its focus on following the Plan and use it to guide the department’s path forward. The County can start by reviewing the IS Strategic Plan’s recommendations to confirm their priority and relevance.

We will draw the County’s attention to one of the IS Strategic Plan’s most important recommendations that has not yet been initiated, and that is to formalize project governance for technology projects by creating an IS Governance Committee. Due to its high importance, we describe this further in a separate recommendation below.

Hire an experienced, strategy-oriented Information Services leader

The Information Services department is performing its core tactical duties well, and there is some room for improving how the department supports the County strategically – namely through significant IT projects, such as hardware and software procurement and implementation. A key ingredient for enhancing this category of services is an experienced, strategy-oriented Information Services leader.

In addition to overseeing Information Services’ existing, high functioning GIS and Information Technology programs, the department leader’s key responsibilities should include leading execution and implementation of the IS Strategic Plan; defining and managing IT project intake and prioritization protocols; liaising with other
departments to set expectations around when and how to effectively engage Information Services; and managing Sturgeon County’s data governance and Enterprise Architecture.

Currently, the Information Services leader position is Manager, Information Services. At the time of this report, the position is vacant, and a hiring process is currently underway.

Establish cross-department IS Governance Committee

Through our survey results and discussions with SLT members, the (former) Information Services Manager, and staff from other departments, it became apparent that the County would benefit greatly from the formation of an IS Governance Committee focused on technology project governance. Along with hiring a strategy-oriented IS leader, this IS Governance Committee is a critical lever for addressing organizational dissatisfaction with significant IS projects and building Information Services’ capacity to provide strategic support to departments.

The Committee and its purpose, responsibilities, importance to the County, and recommended membership are described in detail in the IS Strategic Plan — however, the County has not yet established the Committee. We recommend that the County create a formalized IS Governance Committee with a defined mandate, as per the IS Strategic Plan’s recommendation. The Information Services Manager should chair or co-chair this Committee; as such, the County should form this Committee once that position has been filled. The benefit of this Committee will be increased standardization and coordination between Information Services and other departments, and a stronger enterprise view of IT, both by the Information Services Manager and by the rest of the organization.
Establish clear expectations between IS and all other departments for IT procurement and other significant projects involving IS

The County can take steps to establish a clear set of shared expectations between Information Services and other departments around how and when to engage Information Services for significant projects. A more defined procurement process (i.e. similar to what is outlined in another section of this report) with greater emphasis on business needs analysis (what problem needs to be solved) accompanied with more details on roles and responsibilities between IS and other service areas should be created and implemented.

This will help ensure that when the County purchases, upgrades, implements, or changes software, the systems will be well thought-through and meet the needs of both the department and the broader organization (including data integration). It will help the County plan its projects so that they are appropriately resourced and supported by IS, and so that the County avoids duplication of systems (and associated costs). Taken together, this will reduce frustration among both IS staff and their customers in other departments.

These steps can be a mix of formal and informal initiatives and include the following:

- Establish cross-department IS Governance Committee (as previously described);
- Ensure Information Services Manager can devote enough time communicating expectations to their peers in other departments; and
- Develop, implement, and monitor service level agreements between Information Services and other departments. The County may choose to establish a consistent service level across all departments or different service levels that vary by department according to individual departmental needs and County priorities.

Build enterprise view of IT architecture and IT assets

Once Sturgeon County has hired its new Information Services Manager, one of their high priority items should be to build an enterprise-wide view of the County’s IT architecture and an inventory of all County IT assets. This will facilitate proactive and strategic management of the County’s data, software, and hardware, including maintenance, procurement, and decommissioning.

Once Information Services develops a comprehensive view of the County’s current architecture and assets, department leadership can better hone the County’s longer-term IS strategy and manage a resource complement that aligns with the strategy. This would include establishing staffing levels and determining which services would be provided in-house versus outsourced.
As reported in both the survey results and interviews with other departments’ staff, Information Services’ core, tactical support is working well. The County should continue supporting this successful Information Technology program so that it continues to meet the needs of County staff.

To further improve work flow in this area, we recommend that the County modernize its existing IT service request tracking system, Worktech. The current tracking system is easy for customers (i.e. staff in other departments) to use, however the system’s features limit Information Services’ ability to efficiently triage and assign requests internally. Having been in place for seven years, the current system is out of date compared to comparable systems at other municipalities.
## High Level Implementation – Information Services

<table>
<thead>
<tr>
<th>Short Term</th>
<th>Medium Term</th>
<th>Long Term</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>People</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Hire experienced, strategy-oriented IS leader (underway)</td>
<td>- Establish resource complement and monitor staffing levels in alignment with enterprise architecture and Strategic Plan</td>
<td>- Monitor and manage against service level agreements</td>
</tr>
<tr>
<td>- <strong>24(1)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Process</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Establish clear expectations with departments for significant IS projects, procurement</td>
<td>- Develop and implement service level agreements between IS and other departments</td>
<td>- Update request tracking and ticketing system</td>
</tr>
<tr>
<td><strong>Technology</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Build enterprise view of IT architecture and IT assets</td>
<td>- Establish IS Governance Committee</td>
<td>- Review and renew IS Strategic Plan</td>
</tr>
<tr>
<td><strong>Strategy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Use IS Strategic Plan to guide department's path forward (post IS leader hire)</td>
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</tbody>
</table>
Potential Funding Implications

Implementing these recommendations will lead to a more strategic view of Information Services and technology across the County. This should result in more cost-efficient IT expenditures and implementations through:

- Reduced duplication of systems and their features / capabilities;
- Increased adoption of systems that are implemented (less wasted investment and effort in systems that are installed and then not fully utilized);
- Fewer system customizations through proactively ensuring systems can be integrated; and
- More efficient data sharing and communication.

Most of the recommendations described above would likely be managed internally and would thus likely require no additional investment, including using the IS Strategic Plan to guide the department’s path forward; hiring an experienced IS department leader (since this position already exists and is budgeted for); establishing an IS Governance Committee; and establishing clear expectations for IT procurement.

Funding considerations for the remaining recommendations are as follows:

- Enterprise view of IT architecture and IT assets – this may be led and completed by the IS Manager and the right staff support. If the County prefers to outsource this project, then it would require some investment depending on the scope.
- Update request tracking and ticketing system – this would require an investment that varies from a monthly subscription cost through to an acquisition + maintenance/monthly cost. In MNP’s experience, solutions often considered by municipalities include: Fresh Service, Zen Desk, Team Dynamix, Cherwell, JIRA service desk and Samanage. Business requirements analysis would be required in order to determine which is the best value for money and serves the needs of the County the best.

Transportation Services

During the Phase 1 review, Transportation Services (Transportation) was identified as a priority area because it ranked high in importance to County citizens and receives a large percent of the County operating budget. Since the Department provides citizen-facing services, evaluating the quality of service delivery (i.e., its effectiveness and efficiency) was deemed highly important. In assessing the team’s service delivery model, MNP examined:

- The flow of work and communication with current internal departmental structure and interdepartmental linkages;
- The current ability and past performance of the department to meet service levels;
- Any pressures, barriers, and enablers (resourcing, skills, capacity, etc.) associated with the intake, prioritization, and delivery on planned and unplanned work; and,
- The management of public perception and expectations of Transportation Services.

MNP approached the analysis of these examination questions by using a combination of interviews, and cross-jurisdictional municipal comparisons.
Current State

MANDATE

The Transportation Services Department provides and maintains a safe, reliable, and sustainable road network that meets the transportation needs of all road users.

ORGANIZATIONAL STRUCTURE

The Transportation Services Department is a centralized function within the organization. The Department is structured with three key functions, demonstrated in Figure 38.

FIGURE 38: TRANSPORTATION SERVICES ORGANIZATIONAL STRUCTURE
Within the gravel and paved roads functions, there are Operator and Laborer positions that report to a Transportation Supervisor. The Transportation Supervisor reports to an Operations Supervisor who report to the Manager of Transportation Services. Through interviews with the team, the roles were clarified and the functions are compared in Figure 39.

**Figure 39: Transportation Supervisor roles**

<table>
<thead>
<tr>
<th>Transportation Supervisor</th>
<th>Operational Supervisor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide strategic direction</td>
<td>Provide operational direction</td>
</tr>
<tr>
<td>Future planning</td>
<td>Day to day operations</td>
</tr>
<tr>
<td>Get tenders lined up, pavement/gravel strategies, develop and evaluate KPIs etc.</td>
<td>Oversight on running crews, verifying/checking work, make sure safety is in place etc.</td>
</tr>
<tr>
<td>Engaged in talking to residents, diffusing situations, talking to councillors</td>
<td>Previously titled - Foreman</td>
</tr>
</tbody>
</table>

The Department is supported by casual workers (in Figure 38). The casual labor pool provides resource flexibility for extreme weather events. Recently, this team of workers has been highly utilized and is viewed as a successful addition and support system to ensure most or all equipment can be put into the field when required which positively impacts the Department’s ability to meet service levels. The Department is also resourced by many temporary employees due to the seasonality of much of its work.

Transportation also leverages shared FTEs within the Programs function. They share a Coordinator role with Engineering Services. People are supportive of this cross-utilization of staff and the communication it encourages between two departments. The Programs function provides support to the rest of the department within the areas of procurement, accounting/finance, customer relationship management (CRM), geographical information system (GIS), and more. Housing positions that require more technical skill sets (accounting, finance, procurement) in Transportation provides convenient access to budget reports and other information that support management decision making.
INTERDEPARTMENTAL RELATIONSHIPS

- Transportation Services has developed a strong relationship with Fleet and Building Services. The two teams have worked to share information and build baseline data for asset management. Ensuring that Transportation has the least amount of equipment down time (e.g., planned or unplanned maintenance) has required consistent communication that has been achieved through weekly meetings. The teams have taken valuable steps to be able to better measure equipment lifecycle, lower maintenance costs and optimize equipment availability for service delivery (e.g. availability of plow trucks and graders in the snow clearing season).

- Transportation Services also has a strong relationship with Engineering Services. The teams have collaborated in the use of GIS technology. They also coordinate operational activity (e.g. road closures) to ensure if they are aware of each other’s schedules. The departments connect during monthly meetings.

- Transportation does not have an effective working relationship with Corporate Communications. During interviews, many team members discussed this as a potential relationship/resource they have not fully engaged. Many employees recognized this potential relationship as an avenue to improve the public awareness of their services, performance and progress on road maintenance projects.

PUBLIC PERCEPTION

An ongoing challenge for Transportation Services is consistently managing public expectations. Part of this challenge is the need to actively communicate and engage with the public. Delivering highly desired and relied upon service like snow plowing requires intentional and ongoing stakeholder engagement. Citizens tend to be very vocal when services are not delivered to expected service level. Delivering these services is also made difficult by the diversity in client needs of the County. Transportation must meet the needs for owners of acreages, agricultural farms, commercial industry, and subdivisions, all of which prioritize different services. The
Transportation Services team recognizes the diversity in the clients they serve and consider what service delivery model will meet their diversified needs.

The current approach to dealing with public concerns is through customer relationship management (CRM) software. The Program’s function supports this software. Issues are documented and sent on to the proper employee to draft a response / resolve the issue and/or complaint.

**SERVICE LEVELS**

In general, service levels are being achieved (indicating overall effectiveness). The table below summarizes 2017 and 2018 key performance indicators for the Transportation Services Department. 2018 statistics show improved compared to 2017 statistics.

<table>
<thead>
<tr>
<th>KPI</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council Requests (CR) completion time</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Period Days</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target 14</td>
<td></td>
<td>4.6</td>
</tr>
<tr>
<td>Result 6.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CR # of open Past Due requests</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Period Monthly</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target 10</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Result 0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Response Management (CRM) time to resolve cases</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Period Days</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target 14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Result 36</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CRM % of resolved cases</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Period Monthly</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target 0.7</td>
<td></td>
<td>0.7</td>
</tr>
<tr>
<td>Result 0.94</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clear Snow within 24 – 72 Hour Service Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Period Winter Season</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target 1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Result N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Period Winter Season</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target 1</td>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>
Transportation

KPI

<table>
<thead>
<tr>
<th>Gravel Road crown</th>
<th>Year</th>
<th>Period</th>
<th>Target</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>Summer</td>
<td>0.04</td>
<td>&lt;0.01</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>Summer</td>
<td>0.04</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Safety

<table>
<thead>
<tr>
<th>Year</th>
<th>Period</th>
<th>Target</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>Annually</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2018</td>
<td>Annually</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Injury Lost Time Safety Incidents resulting in WCB claim

<table>
<thead>
<tr>
<th>Year</th>
<th>Period</th>
<th>Target</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>Annually</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>2018</td>
<td>Annually</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

With the improved ability to meet service-level and KPI’s, the key challenge for the department appears to be communicating with Council and the public so that people outside the organization are aware of their quality work and timeliness. Whether or not the service levels established by the department are “leading practices” is not something that was analyzed in this review.

CURRENT STATE ANALYSIS

- 24(1)

- The Department has experienced a large amount of change and employees recently feel optimistic in that they are currently structured in a way to move forward strategically and with stability
- Program supervisor currently manages resources focused on financial management. Current supervisor has financial management background and job description also reflects technical requirement
- The casual labor pool is viewed positively. It has safeguarded the ability to be well resourced during extreme weather events and when full time employees may not be available due to illness
- There is a strong business case for the continued expansion of the use of GIS and there appear to be
  still more opportunities for expanding its use to support business objectives and increase efficiency. A
  number of new GIS initiatives are in the pilot phase
- The CRM system seems to be working well and creates useful data in issues reported (what issues are
  and when they come) as well as information on the citizen who reported the issue.
- At present, the CRM system is purely a reactive communication tracking-tool to manage resident /
  Council issues and concerns to resolution

- Overall, many of the processes are referenced from individuals' memory, few are formalized in
  documentation. There is a heavy reliance on long standing County employees which may indicate a
  key person dependency risk (knowledge leaves with an individual and the County organization has no
  record of the knowledge)
- The Department meets frequently with Fleet and Building Management and Engineering Services. A
  strong and highly functional relationship is being built and will require continued attention and
  commitment
- Anecdotally, there seems to be a poor shared understanding between Transportation Services and
  Engineering Services of the proper process for making procurement-related decisions

- Few steps have been taken to build relationship with Corporate Communications even though
  Transportation is a public facing department
- Public communication / engagement in mainly reactive in nature; not enough proactive
  communications being done in relation to customer and Council requests
- The Operational Supervisors are now well-positioned to focus solely on strategic objectives (have the
  right people structured below to deliver the day to day operations)
- TS will need to continue to balance unplanned vs. planned work in order to meet service levels and
  citizen expectations
- With the potential of launching a multi-year $80M + road construction / re-building program in the
  near future, careful consideration should be given to the ability to deliver against this program in
  specified timeframes (human, financial, technology, equipment resourcing)
Municipal Comparators

To get a better sense of Transportation’s service delivery efficiency of operations, MNP conducted some comparative analysis to the municipal comparators. In several cases, in an effort to get comparable data since kilometers and type of roads differ between some of the municipalities, MNP normalized the data through the use of ratios. This level of analysis is intended to look for and identify if / when Sturgeon County might be significantly different than its peer organizations. Ratio analysis provides a reason to investigate further, it does not provide data on why there are differences. The result of the analysis is presented below.

<table>
<thead>
<tr>
<th>Municipal Comparison – Transportation Services</th>
<th>Sturgeon County</th>
<th>Municipality A</th>
<th>Municipality B</th>
<th>Municipality C</th>
<th>Municipality D</th>
<th>Key Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of FTEs</td>
<td>54.2</td>
<td>66</td>
<td>48</td>
<td>40</td>
<td>38.8</td>
<td>Sturgeon’s number of FTE is on the higher end.</td>
</tr>
<tr>
<td>FTE/KM of Road</td>
<td>0.0305</td>
<td>0.0132</td>
<td>0.0190</td>
<td>0.0182</td>
<td></td>
<td>Sturgeon’s FTE/KM of Road is 60.5% higher than the closest comparable and much higher than the median. Deeper analysis would be required to conclusively state why that is the case. Given the difference, it certainly warrants further investigation.</td>
</tr>
<tr>
<td>FTE/Transport Equipment*</td>
<td>0.58</td>
<td>0.52</td>
<td>0.46</td>
<td></td>
<td></td>
<td>Sturgeon’s FTE/Heavy Equipment is the highest out of comparable, but not significantly higher.</td>
</tr>
</tbody>
</table>

*Meaning trucks, graders, grader attachments, Heavy Equipment, skid steers, wheel loaders, excavators, and other misc. transport related equipment.
## Municipal Comparison – Transportation Services

<table>
<thead>
<tr>
<th>Key Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sturgeon's operating budget is in line with the operating budget (not including capital) of comparable municipalities.</td>
</tr>
<tr>
<td>Sturgeon has a similar number of equipment as other comparable municipalities.</td>
</tr>
<tr>
<td>Sturgeon's salary expenses is on the higher end but comparable with Municipality C.</td>
</tr>
<tr>
<td>Sturgeon has a similar proportion of gravel roads as comparable municipalities.</td>
</tr>
<tr>
<td>Sturgeon spends 22.7% more per KM of road than its closest comparable. Unclear what similarities / differences are with operational budgets without further investigation that was beyond the scope of MNP's review.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Operations Budget</th>
<th>Municipality A</th>
<th>Municipality B</th>
<th>Municipality C</th>
<th>Municipality D</th>
</tr>
</thead>
<tbody>
<tr>
<td>$16,306,449</td>
<td>$9,042,574</td>
<td>$23,700,000</td>
<td>$10,700,000</td>
<td>$15,925,092.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Number of Equipment</th>
<th>94</th>
<th>93</th>
<th>85</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Salaries, Wages &amp; Benefits/FTE</th>
<th>$98,931.88</th>
<th>$55,868.88</th>
<th>$93,769.89</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Gravel Road / Total Road</th>
</tr>
</thead>
<tbody>
<tr>
<td>306.1 KM Paved Roads</td>
</tr>
<tr>
<td>1,470 KM Gravel Roads</td>
</tr>
<tr>
<td>1776.1 KM Total Roads</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gravel Road / Total Road</th>
</tr>
</thead>
<tbody>
<tr>
<td>82.77%</td>
</tr>
<tr>
<td>900 KM Paved Roads</td>
</tr>
<tr>
<td>1,200 KM Gravel Roads</td>
</tr>
<tr>
<td>2,100 KM Total Roads</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gravel Road / Total Road</th>
</tr>
</thead>
<tbody>
<tr>
<td>88.83%</td>
</tr>
<tr>
<td>407 KM Paved Roads</td>
</tr>
<tr>
<td>3,238 KM Gravel Roads</td>
</tr>
<tr>
<td>3,645 KM Total Roads</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gravel Road / Total Road</th>
</tr>
</thead>
<tbody>
<tr>
<td>57.14%</td>
</tr>
<tr>
<td>407 KM Paved Roads</td>
</tr>
<tr>
<td>3,238 KM Gravel Roads</td>
</tr>
<tr>
<td>3,645 KM Total Roads</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gravel Road / Total Road</th>
</tr>
</thead>
<tbody>
<tr>
<td>81.45%</td>
</tr>
<tr>
<td>395 KM Paved Roads</td>
</tr>
<tr>
<td>1,734 KM Gravel Roads</td>
</tr>
<tr>
<td>2,129 KM Total Roads</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Budget/KM of Road</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,181.04</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Budget/KM of Road</th>
</tr>
</thead>
<tbody>
<tr>
<td>$6,502.06</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Budget/KM of Road</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,095.24</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Budget/KM of Road</th>
</tr>
</thead>
<tbody>
<tr>
<td>$7,480.08</td>
</tr>
</tbody>
</table>
In several categories the municipal comparison indicates a significant or very significant difference between Sturgeon County and the four comparable organizations. The key observations captured in the tables summarize those differences. Most notable perhaps are the FTE related ratios where it appears that Sturgeon is more staffed, relatively speaking, than the comparators. However, one must be cautious when drawing conclusions from this level of data as the organizations may differ from each other in terms of their needs, requirements, history, asset deployment approaches and level of sophistication.

This topic is revisited later in the recommendations section for the Transportation Services Department.

Recommendations

24(1)
17(1), 24(1)
Increase Use of GIS and In-field Devices

MNP recommends continuing to leverage GIS technology to monitor road conditions, maintenance work and work performed. Increased use of GIS technology will lead to significantly improved ability to communicate with residents on transportation related items (road clearing, location of projects, etc.).

As Information Services may enact changes to its architecture / key platforms, in the short- to medium-term future, unanticipated opportunities for expanding GIS across the organization including in TS may arise. With that in mind, TS should continue to foster strategic relationships with IS, so that it has an understanding of what may be changing in that department that could have potential benefit for its own operations.
A number of GIS initiatives are in progress including: task specific applications for dust control, GIS real-time tracking and historical use of a grader activity, GIS real time tracking and historical use of plow truck activity. Additionally, there are several pilot GIS projects underway in drainage program, gravel program and others.

Future possibilities may include (near) real time reporting of snow clearing equipment, brushing equipment, road projects and status thereof, etc.

GIS and suitable interoperable communication platforms will be key to future communication possibilities.

Ensure Functions and Activities are Supported with Documentation

With undocumented roles and responsibilities, processes, and procedures, turnover and attrition can carry risks to the Department’s ability to continue to improve its effectiveness and efficiency. As the organization matures and the workforce ages, there is a growing need to capture what is actually being done on the ground (so long as it is performed according to regulations and standards) and to then formalize those processes and procedures in clear and concise writing. These processes might include detailed and up-to-date standard operating procedures for activities such as sanding, grading, pot-hole repair and brushing, as well as clear processes and policies for procurement. MNP’s review did not conduct a full-scale comparison of actual practice to documented processes and policies.

Process and procedure documentation should be supported by effective and consistent role descriptions and policies such that critical Departmental knowledge is given the opportunity to “live with the organization” rather than with individual staff.

No organization is one-hundred percent up-to-date on its documentation though every organization should strive to be. With that in mind, this recommendation can be read as encouraging ongoing effort on the part of the Department to effectively capture and update its collective organizational know-how.

Increase Proactive Communication to Public

When it comes to public perception, Sturgeon County is hardly different from other municipalities in Alberta and beyond. Transportation is a service that is always highly scrutinized by the public when there are actual or perceived shortcomings and then largely taken for granted when everything is going well. Road clearing and road maintenance are not only subject to time and resource constraints, but they are also heavily impacted at times by forces outside of the Department’s control (i.e. weather events / trends). Public expectations for quality and responsive service will remain high in the short- and long-term future.

Transportation’s service levels were certainly set in consideration of citizen expectations but the Department may not be doing the best job of communicating this to the public. Anecdotal evidence indicates that there is often frustration amongst citizens at sudden road closures or the provision of major project details. Any work being done that significantly impacts citizens’ ability to get to where they are going becomes at least partially strategic in nature. To support better outcome in these instances, the Department should:

- Grow relationships with corporate Communications, similar to those with other departments (like Financial Services and Engineering Services);
- Explain and communicate service levels and how projects are planned and prioritized so concerned citizens better understand that process and where the work that directly impacts them fits into the basic procedures and the broader catalogue of work;
- Proactively pushing out notifications when Transportation knows they are coming to address repeating events (e.g., annual issues like spring thaw);
- Build awareness campaigns with the support of Corporate Communications for major projects / disruptions using pre-established templates and messaging principles; identify who in the TS Department is responsible for liaising with Communications; and,
- Be prepared and responsive when it comes to communications so that they can be distributed as close to concurrently as possible with the event/disruption itself.

MNP has been made aware that in the course of the operational review, a number of enhancements to public communications have been completed inclusive enhancing door-to-door approach for localized communication on maintenance activities as well as the procurement of an additional electronic messaging board for area specific communication in the upcoming road constructions season.
Potential Funding Implications

Technology implementation can be a significant cost though, initially, MNP is recommending only that existing technology is better utilized in the Department. This increased utilization would not come with increased cost. As Information Services continues to develop its capacity and plan for potential changes to its architecture / key platforms, there may be further opportunity for expanding, GIS capacity in TS. There could be costs associated with that expansion but at this time those costs are unknown.
<table>
<thead>
<tr>
<th></th>
<th>Short Term</th>
<th>Medium Term</th>
<th>Long Term</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>People</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>24(1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Process</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Process and procedures need to be supported through policy development</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>24(1)</td>
<td></td>
</tr>
<tr>
<td><strong>Technology</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increase use of GIS and in-field devices</td>
<td></td>
</tr>
<tr>
<td><strong>Strategy</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increase proactive communication to public</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Shift leadership focus towards strategic considerations</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Continue to increase and implement plans to proactively communicate with public</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Continue to increase and implement plans to proactively communicate with public</td>
<td></td>
</tr>
</tbody>
</table>
High Level Implementation Roadmap

In order to view what the implementation of all recommendations made in this report, MNP has aggregated all of the individual recommendations into a single frame high level implementation roadmap. To illustrate what the 'end goal' is for each of the service areas, a "Strategic Objectives" column is presented on the right-most side of the graphic. This high-level roadmap is meant to inform strategic thinking and planning relative to implementing accepted and approved recommendations. In general terms, the sequence of short term through long term is a sequential by service area and holistically for all recommendations. Should only a selection of recommendations be accepted and approved for implementation, 'critical path' planning should be completed prior to launching any change programs at the County.
LIMITATIONS

It is important to note that our work was limited to the review of documentation and facilitation of workshops and focus groups. The work we performed does not constitute an audit, examination or a review in accordance with generally accepted auditing standards or attestation standards. We have not audited or otherwise verified the information supplied to us in connection with this engagement from whatever source. Such information will be subjected to MNP’s interpretation.

This report is intended solely for the information of Sturgeon County. The report should not be distributed to third parties without our prior written consent. Any use that a third party makes of the report and any reliance or decisions made based on it are the responsibility of such third party. MNP accepts no liability or responsibility for any loss or damages suffered by any third party as a result of decisions made or actions taken based on the deliverables.