

DOCUMENT 4 – 2022 EFFICIENCIES UPDATE

OTTAWA POLICE SERVICE

2022 THIRD QUARTER FINANCIAL REPORT

October 31st, 2022

The 2022 Ottawa Police Service (OPS) budget included \$5.05M in permanent budget base reductions proposed by the OPS, as well as an additional \$2M brought forward by the Ottawa Police Services Board (Board), for a total of \$7.05M, including eliminating 20 full-time equivalent positions.

Historically, the OPS has identified and implemented efficiencies as part of its annual budget to ensure that the organization runs in a way that is lean and fiscally responsible. Over the last decade, the OPS has identified \$2M in efficiencies annually on average. Identifying and implementing \$7.05M in permanent base funding reductions will present some risks and challenges, however, the OPS is committed to this exercise.

Strategies for Efficiencies

The OPS began efforts to manage expenditures immediately on January 1, 2022 with the issuance of a General Order directing the following:

- Mission Critical Travel Order – only travel that is operational for homicide investigations, prisoner returns, and/or travel that has no operating costs (100% of costs covered by requesting agency) are still permissible
- Discretionary Spending Freeze – spending, including credit card purchases, will be limited to Mission Critical items (Mandated Training, Health & Safety items, Pre-existing contract obligations)

Unfortunately, the illegal protest in February resulted in a delay in work towards achieving the OPS's efficiency target as most staff were engaged in supporting an end to the occupation. Although responses to similar large demonstrations continue and are very time consuming for the OPS, work to move this initiative along has progressed and included:

- Line-by-line reviews across the organization beginning in January and concluding in May
- Completion of a corporate credit card audit with a draft report completed in the third quarter of 2022
- Outsourcing Collision Reporting Centres planned for November 2022

- Consideration of the benefits of moving to a centralized procurement model for better pricing and greater economies of scale

Current Status

As of end of Q3 2022, the OPS has implemented \$3.1 million (44%) in base reductions of the \$7.05 million target. This is the same amount that was reported in our Q2 status update. Other strategies are underway and planned for Q4 such as the outsourcing of the collision reporting centers. The OPS is no longer expecting to fully implement all base reductions by the end of 2022, and some of that work will carry over into 2023.

The details of those achievements have been noted in the Table below.

	Item	Target	Identified	Achieved	FTE Savings
a)	Management Interventions: reduction in supplies, professional/consulting services, better rates in contract negotiations with vendors, reduced devices/hardware, civilianization	\$2,000,000	\$2,000,000	\$1,900,000	0
b)	Other Efficiencies & Reductions: various position reductions	\$1,900,000	\$1,900,000	\$500,000	15
c)	Fleet & Facilities Rationalization: decrease in fleet vehicles and accommodation repairs/improvements	\$600,000	\$600,000	\$400,000	0
d)	Outsourcing Collision Reporting Centers	\$550,000	\$550,000	\$0	5

	Total Efficiencies tabled by OPS	\$5,050,000	\$5,050,000	\$2,800,000	20
	Management Interventions motion from OPSB (initiatives under development)	\$2,000,000	\$2,000,000	\$300,000	TBD
	Total Efficiencies Approved	\$7,050,000	\$7,050,000	\$3,100,000	20

Corresponding Notes:

a) Management Interventions - \$2.0M

The OPS is looking for savings across all directorates within the organization and is achieving this through the line-by-line review meetings with all Senior Leaders. Centralizing the purchasing of equipment and supplies to ensure streamlining of the purchasing process and ensuring more uniformity around uniforms, equipment, and lifecycle management will provide efficiencies.

c) Fleet Rationalization and Facilities Savings – \$0.6M

The OPS has identified savings that are achievable through a Fleet rationalization review to optimize the number of vehicles across units excluding front line services. A pooled fleet strategy across the investigative and intelligence units where there are no operational impacts will also reduce the number of units within the overall organization while not impacting services. Within Facilities, the OPS is able to achieve savings related to office moves, fit-ups, and construction. As the service continues to utilize remote working where operationally feasible, the service will continue to review and work towards a policy that ensures optimal service delivery and utilization of space and cost.

d) Accident Support Services International Ltd (ASSIL) 3rd Party Collision Reporting - \$0.6M efficiency

The OPS is working on an initiative to outsource collision reporting to a third-party vendor to offer a cost-effective alternative to achieve savings while reducing pressures on front line services. This initiative is planned to go live in November of 2022.

Next Steps

The OPS will continue providing regular quarterly updates to the Board on the progress of its achievement in attaining the \$7.05 million efficiency target through the quarterly financial Board reports; the next scheduled update is the February Board Meeting when

data up to the end of Q4 2022 will be provided. The Service has achieved 44% of its savings target, with some identified opportunities for additional savings. Despite this, the Service is trending towards not being able to achieve the entire target in 2022. The Service will work with City of Ottawa partners to address this gap, and will continue to seek opportunities for efficiency, improvement, and reinvestment.